



FISCAL YEAR 2024

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 2024 (FY24) 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: environmental, social and governance (ESG).

This report covers our global operations and, unless otherwise stated, presents quantitative and qualitative information for the fiscal year ended March 31, 2024 (FY24). This document has been subject to formal internal review processes and approval by CAE's senior management and Board of Directors. However, our FY24 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 [FY24 Management's Discussion and Analysis \(MD&A\)](#).

Companion documents

-  [FY24 Annual Information Form](#)
-  [FY24 Management Proxy Circular](#)
-  [FY24 Management's Discussion and Analysis \(MD&A\)¹](#)

¹ Also known under the title of "Financial Report"

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 provide Task Force on Climate-related Financial Disclosures (TCFD) reporting. You will find this disclosure in our [TCFD Index](#).

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.

CAE is preparing to transition to include certain key performance indicators in our financial disclosure, in accordance with applicable criteria and regulatory planning.

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 12.1 “Non-IFRS and other financial measure definitions” of the FY24 Management’s 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 12.1 “Non-IFRS and other financial measure definitions” for references where these reconciliations are provided.

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A message from our Chief Executive Officer

Building a stronger CAE for all our stakeholders

Over the past year, CAE has continued to leverage our unparalleled experience to foster innovation and help make the world a safer place. We fixed our gaze on the horizon. We made bold, forward-thinking decisions. We positioned CAE for future success.

We continued our attractive revenue growth trajectory, driven by market-related factors as well as ongoing share expansion. We identified ways to further strengthen our competitive position and demonstrated clear market leadership with the introduction of new technologies and solutions that make our company an unquestioned leader in advancing safety, readiness and operational efficiency. ▶



Marc Parent, C.M.

President and Chief Executive Officer

We also seized the opportunity to de-risk pre-COVID-19 contractual exposures, streamline our portfolio, and extend our position as sustainability leaders. Moreover, we maintained our status as aviation's lead training innovator. We know that our ongoing investments in technology will not only contribute to our future returns, but also make a positive impact on our customers' success and the millions of people they serve.

Today, we enjoy a strong financial position that is bolstered by ongoing deleveraging efforts, providing us the optionality to invest in our future and return cash to shareholders. With this foundation firmly in place, we have shaped an exciting future for our company, our customers, our employees, and our shareholders.

Bold actions to secure our future

In a market challenged by high inflation, we moved to reshape our company in meaningful ways to drive greater focus, efficiency, and optimization across the portfolio. The divestiture of our Healthcare business in February 2024 positioned it for future growth under new ownership while enabling us to focus on our core aerospace and defence markets.

At the executive level, in May 2024, we appointed Nick Leontidis to the newly created role of Chief Operating Officer (COO). Nick, a 36-year CAE veteran and former Group President of our Civil Aviation business segment, will drive rigorous program execution, help build our backlog, promote enhanced collaboration across departments, and further entrench our culture of One CAE. This new organizational structure will allow us to continue to capitalize on the powerful synergies between our two business segments, and unlock further value for CAE now and in the future.

We also took necessary steps to re-baseline our Defense & Security business, through changes in leadership and the accelerated recognition of risks on eight specific fixed-price contracts that were awarded before COVID-19. Although they are a small fraction of our programs, those eight contracts represented a drag on the segment's performance and future risk profile. With this repositioning, CAE is ready to take advantage of the right people, the right technology, and the right opportunities in the pipeline to unlock long-term success. ▶



Civil Aviation reaches new heights

Our Civil Aviation business continues to set the standard for performance in the marketplace. It executed exceptionally well again in FY24, posting strong growth and record profitability. Delivering exceptional value for our customers continues to be our top priority, and we were proud to demonstrate how CAE can rapidly and effectively scale our training and flight operations solutions to meet the needs of our customers as they grow.

In Commercial Aviation, we maintained our attractive market share through organic network expansion and outsourcing agreements with major airlines. In Business Aviation, we deployed several new simulators to meet growing customer demand and to serve new geographies. Furthermore, we leveraged our strong airline relationships and innovative new software solutions in our Flight Operation Solutions segment, which further augmented our addressable markets.

This year was one of remarkable momentum in orders from both new and existing customers, with a full-year book-to-sales ratio¹ of 1.24x and a record year-end adjusted backlog¹ of \$6.4 billion, including orders for 64 full-flight simulators (FFS). During the year, we signed multiple key training agreements with airline partners including Akasa Air, Air France KLM Group, Air Europa, ITA Airways, and Delta Airlines among many others. Furthermore, we expanded our training centre footprint with the opening of CAE's Savannah training centre and began work on the opening of new CAE training centres in Athens, Greece and Vienna, Austria. Finally, we continued to develop and roll out CAE Flight Operations Solutions' modernized software portfolio, which aims to deliver incremental value to our customers and capture additional share.

As a company, our vision is to be the partner of choice across all of our end markets, including original equipment manufacturers and regulatory partners. In this spirit, this year we took our longstanding partnership with Boeing to the next level, officially becoming a Boeing Authorized Training Provider. CAE is proud to be the first to offer Boeing's Competency-Based Training and Assessment curriculum. Working together, we aim to enhance training efficacy and aviation safety through collaborative data sharing and complementary digital capabilities. ►



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.

Defense & Security focused on profitable new growth

The re-baselining of our Defense & Security business segment has created a firm base from which to thrive. We see a clear path to improving profitability in the coming quarters through the efforts taken to accelerate the recognition of contractual risks.

Defense continues to demonstrate its ability to capture new business in a year marked by large strategic program wins, with strong order intake resulting in a full-year book-to-sales ratio¹ of 1.04x. Additionally, subsequent to year-end, SkyAlyne – our joint venture with KF Aerospace for defence aviation training – was awarded an \$11.2 billion, 25-year contract from the Government of Canada to train the next generation of Royal Canadian Air Force pilots and aircrew. The impending ramp-up on these successes and several additional large strategic wins anticipated in FY25 point to a strong growth outlook and further improvement in our margin rates.

Our unique combination of digital capabilities and expertise has proven invaluable in providing new opportunities and expanding the addressable market across five domains: air, land, sea, space and cyber. During the year, we were proud to be selected on Canada’s Remotely Piloted Aircraft System (RPAS) program, and we were excited to secure synergistic cross-CAE opportunities with the award of a Bombardier Global 6500 full-flight simulator to support the High Accuracy Detection and Exploitation System (HADES) program. Strong underlying tailwinds across the defence market remain intact, and we are poised to capture an increasing share of our markets.

Positioning CAE at the forefront of innovation

Over the past year, we made remarkable advances in accelerating the development of next-generation technologies under our consolidated Global Technology and Product (GTP) organization, which brought groundbreaking innovations to market and streamlined processes to drive efficiencies across our company. GTP has been a catalyst for cross-business-unit technology collaboration, yielding transformative results and paving the way for future tech development across our entire company.

By integrating our Civil Aviation and Defense & Security technological ecosystems, we leveraged our capabilities to enhance human performance, elevate safety in our industry and further increase our business value, giving rise to unique products like CAE Rise and CAE Prodigy. Our One CAE approach allowed us to invest efficiently in our core technologies, generating value across our business lines.

Exemplifying the power of our technology collaboration in action, CAE Prodigy became the first full-flight simulator with a gaming engine-powered image generator to achieve Level D qualification – the highest level of qualification available.

This same technology will soon power our most advanced simulation products in defence, and offers an unmatched capability for our defence customers. Alongside Prodigy, further advancement of our newly launched CAE Connect platform delivers an unparalleled digitally connected customer experience to our Commercial and Business aviation customers.

At CAE, we are tireless innovators. Driven by curiosity, we have been proactive in identifying more than 100 potential use cases throughout the organization for artificial intelligence. These efforts will create value and optimize operations for both our customers and our own organization.

Day in and day out, our pursuit of excellence through technological innovation continues to position us at the forefront of our industry. From training solutions for future platforms to integrated software as a service (SaaS) for flight operations and optimization, our technologies helped to move the world forward safer, faster and more sustainably. ▶

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.

Forging a more sustainable world

Our mission is to make the world a safer place, and that extends to safeguarding a sustainable future in all that we do. As part of our sustainability journey, CAE is committed to decarbonizing our entire value chain, including our operations, training centres, products, services and supply chain.

This year, we honoured our commitment to further integrate sustainability into our business model and strategic decision-making by submitting near-term science-based targets to the Science Based Targets initiative. With this step, CAE has set clear objectives across our business lines to reduce our carbon footprint and promote sustainable practices.

Our persistent efforts on sustainability have been recognized through our improved performance across various sustainability scores, including those from S&P and the Carbon Disclosure Project. Inclusion in the S&P 2024 Global Sustainability Index placed CAE in the top 15% of our industry, a testament to the hard work of our employees, partners and stakeholders who are helping us build a more sustainable future.

Diversity, equity and inclusion, another cornerstone of our sustainability strategy, remains vital for fostering fairness, innovation and resilience, and ensuring long-term success for our organization and the communities in which we operate. For the first time in 2024, we were recognized as one of Canada's Best Diversity Employers and among America's Greatest Workplaces for Women, a testament to our commitment to creating a workplace where all employees feel valued.

This year, we also took strides in our commitment to build enduring, meaningful and mutually beneficial relationships with Indigenous communities. We started this journey by convening our first Indigenous Advisory Board meeting and attaining Committed status in Progressive Aboriginal Relations Certification.

Defining the future of our industry in FY25 and beyond

As we reflect on a transformative year, where we took bold action to position ourselves for future success, we are seeing proof that our strategy is working. We are capitalizing on exciting opportunities across Civil and Defense. We have set the stage for enduring profitable growth and value creation in excess of market rates, with strong cash generation.

Innovation is what makes us different, and we will continue to harness its power to expand our market-leading position. Our approach, based on common solutions and scalable technology, will allow us to leverage our core strengths across our company

and drive our growth to new heights. Working as a team, we are developing technologies that will shape the future state of our industry and help our customers advance their safety, readiness, and operational efficiency goals.

Technology alone does not drive innovation – people do. CAE's team of 13,000 people around the world work together every day to develop and deploy the solutions of tomorrow. On behalf of CAE management, I would like to close by acknowledging the important role of our people in our achievements, and thanking them for their hard work and dedication. ■

I am truly grateful for all the opportunities I had this year to engage, listen and understand the evolving needs of our customers and partners.

Thank you for continuing to choose CAE.

At CAE, we exist to make the world safer.

Our cutting-edge training 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 major commercial airlines, regional airlines, business aircraft operators, civil helicopter operators, aircraft manufacturers, third-party training centres, flight training organizations, maintenance repair and overhaul organizations, and aircraft finance leasing companies.

Defense & Security

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

Our mission

To lead at the frontier of digital immersion with software-based training and critical operational support solutions to make the world a safer place.

Our vision

To be the worldwide partner of choice in civil aviation and defence and security by revolutionizing our customer's training and critical operations with software-based and digitally immersive solutions to elevate safety, efficiency and readiness.

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

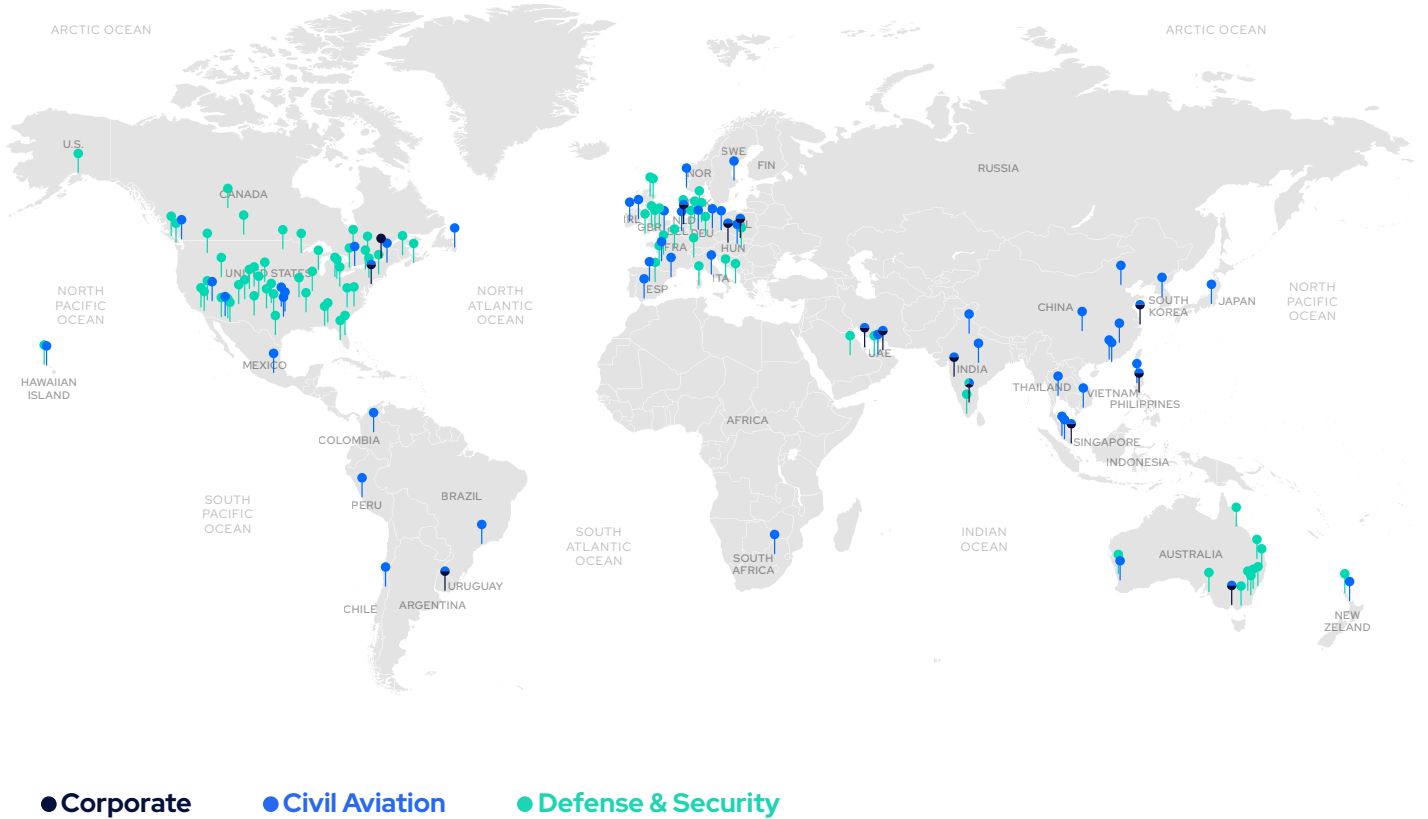


Roots in innovation

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



240 +
locations

≈ 13,000
employees

40 + countries

One CAE.

FY24 Corporate financial highlights

\$4.3 billion

Annual revenue

\$12.2 billion

Adjusted backlog ¹

\$4.9 billion

Annual adjusted order intake ¹

\$566.9 million

Net cash provided by operating activities

\$418.2 million

Annual free cash flow ¹

\$185.4 million

Operating loss

\$549.7 million

Annual adjusted segment operating income (SOI) ¹

(\$1.02)

Basic and diluted loss per share
from continuing operations

\$0.87

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 we operate in. 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.



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. Furthermore, our technologies are deployed with a focus on driving sustainability.



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, sustainability and diversity and inclusion 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: make the world safer and starts with our business lines.

Civil Aviation is the global partner of choice of aviation professionals, airlines, business aircraft operators and aircraft manufacturers. Civil Aviation contributes to moving safety, diversity and inclusion and industry decarbonization forward. We are dedicated to reducing direct carbon emissions through a sustainable aviation plan, including retrofitting training aircraft with electric propulsion. Additionally, CAE offers refurbished simulators to help our customers lower their carbon footprint. Training analytics enhance training efficiency, reducing energy use, while Flight Operations Solutions optimize flight plans and catering services to cut fuel consumption and waste, furthering the decarbonization of our customers and of the aviation industry at large. CAE's focus on Advanced Air Mobility (AAM) fosters the development of a new all-electric industry, contributing to more sustainable air transportation.

Defense & Security (D&S) is a recognized training and mission systems integrator whose noble mission to support preparedness 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. CAE's 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 vs. live aircraft training, CAE's technological innovations in digitalization and immersive simulation enable continuous improvement in CAE's 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 sustainable products, utilizing eco-efficient practices and promoting the use of sustainable materials.

CAE is also committed to extending the outlines of the aviation talent pool. Through scholarships, community engagements and industry alliances, Civil Aviation and D&S advance the presence of underrepresented groups in pilot and STEM careers. Opportunities for veterans remain an equal talent development priority, internally and externally.

Finally, 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. As a partner recognized for quality, reliability and innovation, our leadership also 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. In the Advanced Air Mobility segment, we are advising on pilot licensing and operational regulations together with addressing challenges of sourcing talent to fill new roles as an immediate business imperative.

In these roles, we contribute 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 operation. 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 takeoff, 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

Contract Awards

- A 10-year commercial aviation training agreement with Air France KLM Group;
- A multi-year exclusive commercial aviation training agreement with ITA Airways;
- A 10-year commercial training agreement extension with Air Europa;
- A 3-year business aviation training agreement with Solairus Aviation;
- A 4-year air traffic control training agreement with NAV Canada;
- A 7-year next-gen flight operations solutions agreement extension with Saudia;
- Six Boeing B737 Max FFSs and two previous B737 Max FFS options converted to firm orders to Ryanair;
- A 7-year next-gen crew management and aircraft operations solutions agreement with Air India;
- A 5-year business aviation training agreement with Clay Lacy Aviation;
- A 5-year next-gen crew management and flight operations solutions agreement with Wizz Air.

\$2.4 billion

Annual revenue

\$3.0 billion

Adjusted order intake ¹

\$6.4 billion

Adjusted backlog ¹

\$442.0 million

(18.1% of revenue) ¹

Operating income

\$548.9 million

(22.5% of revenue) ¹

Annual adjusted segment operating income (SOI)

1.24 x

Book-to-sales ratio ¹

76%

Civil training centre utilization ²

47

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

Contract Awards

- General Dynamics Information Technology to support the U.S. Army Flight School Training Support Services at Fort Novosel, Alabama with training and simulation solutions for initial entry-level and graduate-level rotary wing flight training. Under the terms of the 12-year contract, CAE will build and operate CAE-owned full-flight simulators for the CH-47F and UH-60M platforms to meet the U.S. Army Aviation Center of Excellence’s rotary wing simulation services requirements;
- The U.S. Air Force (USAF) for the modification and maintenance of F-16 training devices;
- General Atomics Aeronautical Systems, Inc. for support of the Remotely Piloted Aircraft System (RPAS) program, delivering aircrew and maintenance technician training, supporting training devices and courseware to meet Canada’s RPAS requirements;
- The USAF to provide Rotary Wing, Introductory Flight Training at the CAE Dothan Training Centre in Dothan, Alabama. The program extends through 2033 and supports all initial USAF rotary-wing air, ground and simulation training;
- The USAF for continuation of flight training on KC-135 devices;
- The Commonwealth of Australia to continue supporting their Australian Defence Force Aerospace Simulator Integrated Support and Training program;
- Leidos to support the U.S. Army High Accuracy Detection and Exploitation System by providing Flight Training Service for the Bombardier Global 6000/6500 Full Flight Simulator at the CAE Dothan Training Center;
- Bell Textron to support the U.S. Army Future Long Range Assault Aircraft program. As part of a teaming arrangement with Bell for their Future Vertical Lift family of systems, CAE is expected to provide maintenance training devices, assist in the development of flight training devices and deliver other training products;
- The U.S. Army to finalize the development of the Soldier Virtual Trainer prototype to include Weapons Skills Development, the SVT Core computational system and Intelligent Tutor.

Re-baselining of the Defense and Security business, Defense and Security impairments and accelerated risk recognition on legacy contracts

Within the Defense and Security segment, we have a number of fixed-price contracts which offer certain potential advantages and efficiencies but can also be negatively impacted by adverse changes to general economic conditions, including unforeseen supply chain disruptions, inflationary pressures and availability of labour leading to execution difficulties. These risks can result in cost overruns and reduced profit margins or losses. While these risks can often be managed or mitigated, there are eight distinct legacy contracts entered into prior to the COVID-19 pandemic that are fixed-price in structure, with little to no provision for cost escalation, and that have been more significantly impacted by these risks (the Legacy Contracts). Although only a small fraction of the current business, they have disproportionately impacted overall Defense and Security profitability. The Legacy Contracts include one that was inherited with the fiscal 2022 acquisition of L3Harris Technologies’ Military Training business and have completion dates mainly within the next two fiscal years.

During the fourth quarter of fiscal 2024, we recorded a \$568.0 million non-cash impairment of Defense and Security goodwill and \$90.3 million in unfavourable contract profit adjustments as a result of accelerated risk recognition on the Legacy Contracts. We also recorded a \$35.7 million impairment of related technology and other non-financial assets which are principally related to the Legacy Contracts.

The recognition of risks associated with the Legacy Contracts has been accelerated in the fourth quarter of fiscal 2024 following revised agreements on scope and timing with customers, suppliers and other stakeholders, which resulted in profit adjustments associated with the reassessment of estimated costs.

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.

\$1.8 billion

Annual revenue

\$1.9 billion

Adjusted order intake ¹

\$5.7 billion

Adjusted backlog ¹

\$627.4 million

Operating loss

\$0.8 million

Annual adjusted segment operating income (SOI) ¹

1.04x

Book-to-sales ratio ¹

Sustainability reporting



A message from our Chief Sustainability Officer

By integrating sustainability into CAE's business model and decision-making process, we are creating long term value not just for ourselves but for all our stakeholders.

This built in, not bolted on, approach applies to everything CAE does as a business to make the world safer, preserve the planet and contribute to society. ▶



Hélène V. Gagnon

Chief Sustainability Officer and
Senior Vice President, Stakeholder Engagement

Pursuing our role as a change partner

CAE served as a change agent in the industry and with our suppliers to promote climate action and decarbonization. We helped create social value through our sustainability strategy and furthered the safety agenda of the aviation industry through partnerships and collaborations.

We are also seeing our actions bolster the positive environmental impact of our products and solutions become an even greater competitive advantage as a key enabler of our customers' decarbonization.

The extent of our engagement with stakeholders continues to grow. CAE participated in a multitude of internal and external events related to environmental and social sustainability, with interactions across many regions advancing our commitments and strengthening our various stakeholder relationships.

Decarbonization strategy progress

We concluded FY24 with the submission of near-term emissions reduction targets to the Science Based Targets initiative (SBTi), a year-long process that required the alignment of our entire organization.

This significant undertaking reflects our progressive transition from carbon offsetting to direct emission reduction. We continue to view carbon offsetting as a valuable transitional solution that drives awareness and traction within organizations serving as a springboard to unlock greater sustainability effort. We are proud of our achievements in recent years with regard to our carbon neutrality commitment.

In the meantime, we have engaged in efforts to reduce our emissions at the source, with a decarbonization strategy articulated around four sustainable value streams: aviation, sourcing, products and services, and buildings. As we await approval from the SBTi, we aim to accelerate this plan.

Commitment to science-based targets (SBTs) also represents an overall shift in CAE's business mindset. Our business lines now own specific targets and are accountable for their impact on CAE's ability to achieve these SBTs. Going forward, decarbonization initiatives will be considered in all aspects of our operations, throughout the lifecycle and included as a decision-making factor from the very start of proposals and investment business cases.

Advances made this year in sustainable aviation included progress on fleet electrification and training curriculum enhancements to reduce fossil fuel usage. We further integrated sustainability in our products and services through product optimization, eco-design of new products and low carbon technology integration. We also raised awareness on the crucial role of sustainable aviation fuel, via CAE Crew Training, for all business aviation pilots training with us.

During our second annual Supplier Forum, we introduced CAE Resilient Together, our new Supply Chain Management Program designed to mutually reinforce both operational excellence and sustainability with our partners.

Going forward, CAE will have greater involvement in the International Aerospace Environmental Group, following my appointment as a Board Director of IAEG. This industry organization develops voluntary consensus standards and solutions to accelerate the decarbonization of the aerospace and defence industry. I look forward to helping move this joint mission forward.

Our carbon built-in strategy extends to our real estate portfolio and all new builds designed with reduced energy consumption and enhanced carbon emissions management as guidelines from the pre-design phase onward. We continue to broaden these guidelines, now requiring that all new constructions obtain an energy certification recognized by the World Green Building Council. ▶

Occupational health and safety a top priority

I now sponsor CAE's Health and Safety function, with strengthening our occupational health and safety (OHS) culture throughout the organization a top priority. This year, CAE put an even greater focus on employee awareness, training and practice to ensure safety remains at the core of everyone's behaviour.

CAE's dedication to following best-in-class practices aligns with stakeholders' expectations as the importance of OHS resonates with our purpose to make the world safer. It starts with our own people and remains a top priority in our industry and for our customers.

Social initiatives for an inclusive, sustainable future

Rapid technological advancements we see coming to aerospace are changing the fundamentals of how our industry operates. As reported in [CAE's Aviation Talent Outlook](#), these developments are creating demand for diverse talent and new skills. In that context, innovation and sustainability are viewed as major differentiators when attracting and retaining talent. CAE acts as a key business partner at the centre of this transformative process and we are well positioned to help our customers leverage the opportunities ahead.

With diversity, equity and inclusion (DE&I) an immediate business imperative for our company and the industry at large, CAE actively pursues opportunities with our partners to attract and develop future talent. In FY24, we launched the Ascension Academy with Air Transat and an innovative Pilot Development Program with Sun Air Jets.

We also announced a scholarship with the Organization of Black Aerospace Professionals to further talent and leadership development of underrepresented groups in aviation and STEM careers.

CAE took further significant steps to strengthen relations with Indigenous Peoples in Canada and around the world within our organization and in the community. Our efforts have been recognized by the Canadian Council for Indigenous Business through attaining "Committed" status in Progressive Aboriginal Relations certification for the first time. ▶



Continuing to build on solid principles

Testimony to our culture of upholding the best transparency standards, we continued to enhance CAE's sustainability disclosure requirements compliance, conducting an external readiness assessment for Scope 1 and 2 data per ISO 14064 and GHG Protocol standards, in preparation for external limited assurance. Assessment findings are being incorporated into our continuous improvement process over the short-term.

The introduction of our Business Partners Risk Management Policy and revision of our Whistleblowing Policy further strengthened CAE's framework of ethical practices.

Awards, recognition and ratings

Over the year, CAE received valued and varied recognition for progress made on our sustainability strategy.

We marked our debut as a member of the S&P 2024 Global Sustainability Yearbook, placing CAE in the top 15% of our industry. This achievement is a testament to the hard work of our employees, partners and stakeholders who are helping us drive toward a more sustainable future. CAE scored a B overall on our latest Carbon Disclosure Project rating, an encouraging sign of progress. We also achieved Bronze certification on our initial EcoVadis evaluation. An EcoVadis score is increasingly required by aerospace and defence OEMs for bid eligibility and we look to improving over the short term for the next iteration.

We welcome these acknowledgements with humility and know we must remain vigilant as the bar keeps rising every year and we know more improvement lies ahead. Equally gratifying, CAE received several honours recognizing our DE&I culture and talent management excellence. The majority represent wins over multiple consecutive years, as listed in our [Talent section](#).

To these, we add three new awards: America's Greatest Workplaces for Women by Newsweek; Canada's Best Diversity Employers; and Employment Equity Achievement Awards Sector Distinction from the Government of Canada. Our first Gender Equality report which provides disclosure on tangible progress made for gender equality at all levels globally was selected and featured as a case study by the UN Global Compact.

Navigating the future together

CAE continues to make progress with sustainability as a paramount long term value driver, not only for ourselves but also for our whole ecosystem. Sustainability is instrumental to our competitive advantage, to our capacity to attract capital and talent and to keep the trust of our stakeholders.

Along our multi-year journey, we have always rallied forces around our noble purpose which is to make the world safer. As we progress toward our targets, we will continue to lead the way, raise awareness and share our journey, to inspire others and to mobilize our partners to join forces and go further together.

As ever, the cumulative efforts of leadership and employees remain vital in our organization meeting or exceeding our objectives to generate long term value. I have tremendous confidence in our ability to continue to address these challenges and capture the opportunities ahead. As an agent of change, CAE stands as a leader in those domains. ■



Sustainability program

Mindset and strategy

CAE builds-in sustainability in our strategic decision-making as fundamental to our business model, long term growth and values. This proactive stance ensures that sustainability remains a key 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 organization. This involves articulating and operationalizing objectives associated with our most material issues around clear, quantifiable targets in alignment with our business strategy.

In a rapidly evolving regulatory landscape, our commitment to transparency remains paramount. We closely monitor the global regulatory changes to anticipate upcoming compliance requirements where we operate. As these changes come into force, we identify how to best inform our stakeholders and drive traction within the organization. We are establishing strong data accountability and streamlining collection processes to ensure accuracy and continuity, which is 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 in FY23 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 reinforces our sustainability objectives and concentrates our impact and performance on the areas that matter most. Fifteen working groups, some cross-functional, developed objectives based on analyses of the best practices (stakeholder pulse, markets signals) and aligned with our business strategy. From this exercise, we produced the roadmap, which received approval from the Executive Management Committee (EMC) and the Board.

In FY24, we operationalized our roadmap, implementing initiatives aimed at achieving the key results identified under the three pillars of sustainability. We cover the significance of material topics that fall under each pillar and conclude with a table listing objectives, target year and status.

Key priorities of our multi-year sustainability roadmap

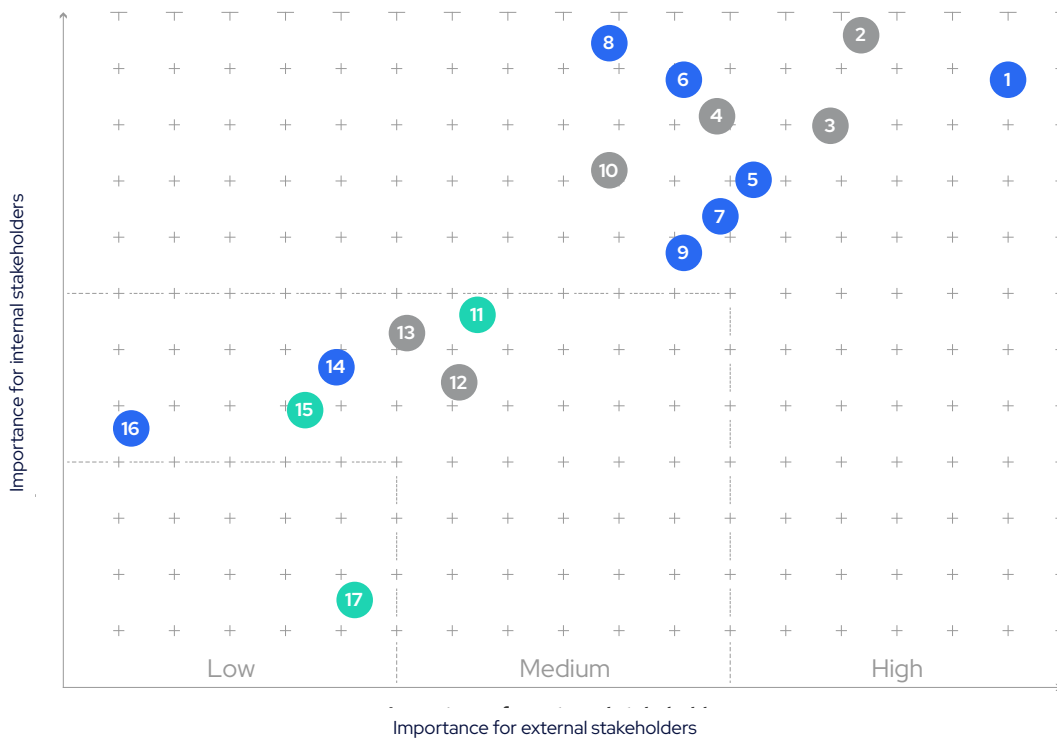
 Environment	 Social	 Governance
<ol style="list-style-type: none"> 1. Upon approval of our targets by SBTi, decarbonize our operations across all the value chain and all products and services 2. Develop new sustainable products and offers 3. Proactively position CAE to adapt to climate change challenges 	<ol style="list-style-type: none"> 1. Be a world-class leader in safety 2. Foster a culture of diversity, equity and inclusion across the value chain and within all the communities where we operate 3. Conduct our business in accordance with respect to the best 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 issues most important to our industry and stakeholders.

In 2021, we conducted a sustainability materiality exercise to determine the drivers of our FY24-28 sustainability roadmap. This exercise added granularity to material topics at CAE and strengthened our ability to be transparent on what matters most to our stakeholders.

Our materiality assessment consisted of a confidential online survey sent to internal and external stakeholders. The 3,652 respondents prioritized 17 environment, social and governance issues in terms of importance for CAE and rated our actual and expected performance on these topics. ▶



● 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 — Diversity, equity and inclusion

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

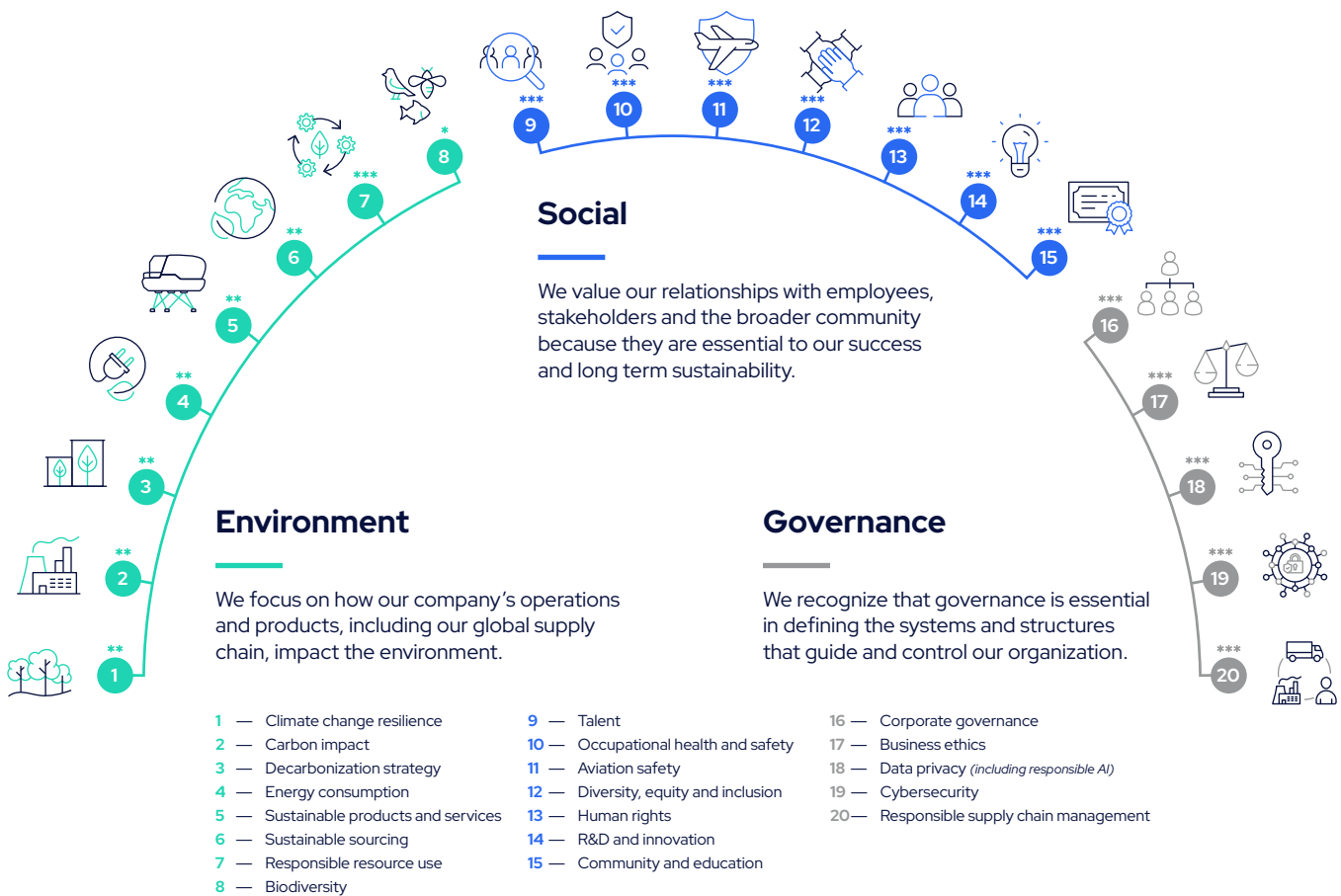
10 — Governance, board structure and leadership

13 — Responsible supply chain management

The outcome of our assessment was further validated with key internal audiences, including management. The resulting materiality matrix was shared with CAE’s executive management team, the Sustainability Committee and all employees through the publication of CAE Global Annual Activity and Sustainability Report. The matrix serves as a compass to guide our actions and to enhance our impact and performance across all areas of ESG. ■

Material topics

In 2023, 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 heightening the transparency of our program.



***** 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 resilience, carbon impact, decarbonization strategy, energy consumption, sustainable products and services, sustainable sourcing and responsible supply chain management.

***Rising issues** allow us to identify trends on the horizon that are expected to grow in importance in the future, such as biodiversity and responsible AI.

Progress on our Sustainable Development Goals

As a UNGC signatory since October 2016, CAE incorporates the Ten Principles into our strategies, policies and procedures, establishing a culture of integrity and respect toward people and the planet.

In 2019, our Sustainability Committee analyzed the 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.

In the following section, we explain why each SDG matters to CAE and identify the respective key performance indicators (KPIs).



SDG 3

Good health and well-being

Good health and well-being are foundational to our mission of making the world a safer place as we equip our customers with the best level of proficiency and preparedness to perform safely in the moments that matter. Good health and well-being also contribute to a safer work environment, improved employee satisfaction and overall better performance and outcomes for the company and its stakeholders.

Associated KPI – [GRI 203-MT](#) – [GRI 401-2](#) – [GRI 402-MT](#) – [GRI 403](#) – [GRI 416](#) – [GRI CUS 001](#) – [GRI CUS 002](#) – [GRI 417](#)
[SASB RT-AE-150a.1](#) – [SASB RT-AE-150a.2](#) – [SASB RT-AE-250a.3](#) – [SASB RT-AE-250a.4](#)



SDG 4

Quality education

Education is at the heart of what we do. Delivering world-class training stands as a fundamental pillar of our identity and of how we make a difference in the world. Quality education is integral to CAE’s commitment to excellence, aviation safety and continuous improvement for our customers, employees and within the communities where we operate.

Associated KPI – [GRI 203-MT](#) – [GRI 404](#)



SDG 5

Gender equality

Gender equality is essential to fostering an inclusive culture where diverse perspectives fuel innovation and success. We are committed to ensuring that every individual’s authentic contribution is valued, reflecting our One CAE culture.

Associated KPI – [GRI 2-7](#) – [GRI 2-9](#) – [GRI 203-MT](#) – [GRI 401](#) – [GRI 405](#) – [GRI 406](#) – [GRI 413-MT](#) – [GRI 414](#)



SDG 8

Decent work and economic growth

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, supporting our workforce and promoting sustainable job creation through our suppliers.

Associated KPI – [GRI 2-7](#) – [GRI 2-8](#) – [GRI 2-20](#) – [GRI 2-21](#) – [GRI 2-30](#) – [GRI 201](#) – [GRI 202](#) – [GRI 203-MT](#) – [GRI 204](#) – [GRI 205](#) – [GRI 206](#) – [GRI 207-4](#) – [GRI 401](#) – [GRI 403](#) – [GRI 404](#) – [GRI 405](#) – [GRI 406](#) – [GRI 407-MT](#) – [GRI 408-MT](#) – [GRI 409-MT](#) – [GRI 410-MT](#) – [GRI 411](#) – [GRI 413-MT](#) – [GRI 415](#) – [GRI 416](#) – [GRI CUS 001](#) – [GRI CUS 002](#) – [SASB RT-AE-150a.1](#) – [SASB RT-AE-150a.2](#) – [SASB SV-PS-330a.2](#) – [SASB SV-PS-330a.3](#) – [SASB RT-AE-410a.1](#) – [SASB RT-AE-510a.1](#) – [SASB RT-AE-510a.2](#) – [SASB RT-AE-510a.3](#) – [SASB SV-PS-510a.1](#) – [SASB SV-PS-510a.2](#) – [SASB RT-AE-000.A](#) – [SASB RT-AE-000.B](#) – [SASB SV-PS-000.A](#) – [SASB SV-PS-000.B](#)



SDG 13

Climate action

With a global presence and diverse levels of exposure to climate risks, CAE acknowledges that climate change is a major risk that requires action from all key actors of society, including the private sector. We belong to an industry that is inherently difficult to decarbonize, and yet, it has made a highly visible commitment on that front. CAE is committed to addressing decarbonization, climate change adaptation and resilience, ensuring that our efforts are significant, effective and aligned with our sustainability strategy.

Associated KPI – [GRI 204](#) – [GRI 301-MT](#) – [GRI 302](#) – [GRI 303](#) – [GRI 304-MT](#) – [GRI 305](#) – [GRI 306](#) – [GRI 308](#) – [SASB RT-AE-130a.1](#) – [SASB RT-AE-410a.1](#) – [SASB RT-AE-410a.2](#)

Strengthening our reporting process

Transparency is foundational to how we engage with our stakeholders to earn their trust and 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 financial statements, as well as environmental and social commitments and progress.

CAE is taking measures to improve our sustainability 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. This includes identifying the performance indicators most relevant for each material topic to best inform our stakeholders.

In FY24, we strengthened our sustainability governance framework, policies and disclosure practices, and conducted an independent readiness assessment for our Scope 1 and 2 emissions data in preparation for external assurance. We are also preparing to meet regulatory requirements on disclosure of non-financial data, under the preliminary guidance of IFRS S1 and S2.

Stakeholder engagement

We believe that engaging with our different stakeholders makes us better, as these interactions bring diverse feedback and insight. CAE stakeholders include employees, customers, investors, suppliers, communities, academic institutions, industry and trade organizations, governments, regulators and media.

We value transparency, authenticity, openness and integrity in these relationships, which contribute to advancing our mission to make the world safer. These exchanges build trust and often offer opportunities to share CAE's story, which in turn, strengthens our reputation and brand.

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





Employees

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

We engage employees through direct communication, dynamic feedback mechanisms and collaborative initiatives to foster a culture of empowerment and belonging. Our CEO sessions and quarterly townhalls conclude with Q&A segments where the CEO and his 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 a diverse and inclusive workplace culture, reflecting our commitment to every employee’s voice and perspective. We uphold fair labour practices, working closely with employee representatives and unions to address any concerns.

In FY24:

- More than 100 internal events, including Family Day during which the Montreal headquarters welcomed over 6,500 employees and their families.
- 61% open rate of CAE’s internal newsletter, above the industry average.



Customers

Customers act as our collaborative innovation and sustainability partners.

Our customers are a primary focus for us. We engage with them through 1:1 meetings with CAE leadership, Customer Advisory Boards, CAE User Conferences, customer appreciation events, site visits, workshops, trade shows and forums, satisfaction surveys and 24-7 Global Customer Services.

In FY24:

- 10,000+ responses collected from surveys on pilot training experiences.
- Multiple Civil Flight Services product portfolio customer events held worldwide.
- In-person Business Aviation Customer Advisory Board session in Europe and three virtual subcommittee meetings held.
- Global engagement with ambassadors, government officials and defence customers to expand industry collaboration.



Investors

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

We connect with investors through 1:1 meetings, a dedicated inbox, roadshows, conferences, webcasts, and timely financial and material disclosures to ensure their understanding of CAE’s business, technology and products, market opportunities, strategic initiatives and outlook.

In FY24:

- 25% of our dialogues with investors focused on sustainability topics, with a significant portion being governance-related. Additionally, top concerns included decarbonization, net zero commitments, renewable energy certificates verification, supply chain responsibility and sustainable products/services.



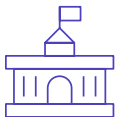
Suppliers

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

We support our suppliers through 1:1 meetings, the CAE Supplier Portal, CAE Resilient Together program, internal forums, panels and workshops, EcoVadis risk assessments and external industry partnerships and activities. CAE's Supplier Code of Conduct outlines our specific requirements and expectations to ensure compliance. Suppliers can access our Ethics Helpline and Human Rights Inquiry inboxes, providing them with a platform to voice concerns and seek guidance.

In FY24:

- Suppliers who attended our FY24 in-person Supply Chain Forum represent approximately 65% of our spend on one full flight simulator.



Governments

Governments set standards in consultation with the industry and provide valuable support through programs and funding.

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.

In FY24:

- New partnership with National Research Council Canada to support research advancement in technology across various fields including AAM, clean tech, climate change and more.
- NATO delegation hosted by CAE USA, Washington Operations, D&S Canada and Global Communications at our Montreal headquarters.
- Congressmen Ken Calvert and Scott Franklin toured the new CAE USA Tampa campus, including a flight simulation experience at the 51,000 sq ft training centre, ahead of its Spring opening.

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 from business units and functions. This PAC Board represents both the company's structure and diversity. It is chaired and led by one of the two business unit leaders (on a rotational basis every two years). 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. All of our underlying actions strictly comply with applicable laws and regulations and in accordance with the company's values of safety, security, sustainability and DE&I.



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/recurrent qualification of CAE flight simulation training devices. In an advisory capacity, we exchange as co-members of aviation safety consultation 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 that help shape industry standards and educational protocols.

In FY24:

- Participation in Federal Aviation Administration Air Carrier Training Aviation Rulemaking Committee.
- Contribution to global standards on the International Civil Aviation Organization Personnel Training and Licensing Panel and its Advanced Air Mobility (AAM) Advisory Group.
- Advisory role on the European Union Aviation Safety Agency Drones and UAM Technical Community, and renewal of our Memorandum of Cooperation on innovation in the industry.



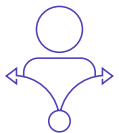
Media

Media play a vital role in disseminating accurate information, shaping public perception and influencing investor 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.

In FY24:

- Close to 1,000 social media posts of which 20% were sustainability-related, extending the impact of our sustainability messaging through a reach of 600,000 and 4% engagement rate.
- More than 85 Greek journalists hosted at CAE Madrid as an advance introduction to the future AEGEAN CAE Flight Training Centre in Athens.



Industry and trade organizations

To advance our joint strategic agenda, we engage with industry peers and trade associations to jointly amplify our voice and influence 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 defense industry. CAE leadership serve on committees and workgroups, and contribute to thought leadership as keynote speakers, moderators, panelists and advisors.

In FY24:

- CAE was an instigator of the Initiative for Sustainable Aviation Technology (INSAT).
- Prime mover behind creation of Confiance AI, which addresses responsible AI use.



Communities

Local communities help shaping our reputation of being a neighbour of choice everywhere we operate.

We interact with and actively support local, regional and Indigenous communities. We consider input from non-governmental organizations to ensure diverse perspectives are included.

In FY24:

- Close to 300 non-profit organizations received direct or in-kind contributions.
- 702 internships and 62 scholarships awarded.



Academic institutions

Academia fosters industry innovation through collaboration, talent development, and research advancements.

We engage with academic institutions through partnerships, research projects, curriculum integration, laboratory support, initiatives for underrepresented groups and student sponsorship and mentorship to further collaboration and talent development.

In FY24:

- CAE cultivates partnerships across our educational ecosystem, collaborating with over 50 academic partners and research centres worldwide.
- iNORTH project received the CRIAQ-RSRI Innovation Award in the category of Industrial Research.
- Participation in the Canadian Mobility and Aerospace Institute Competencies Forum at Concordia University, in Montreal.

Recognition

Organizations representing key stakeholder groups recognized CAE leadership for their exemplary commitment and engagement, with additional industry and community contributions highlighted in this report. ▶

Industry

- Marc Parent, CEO, inducted as a Living Legend of Aviation

Media

- H  l  ne V. Gagnon, CSO, awarded Yves-St-Amand Award by Quebec Society of Public Relations Professionals

Investors

- Andrew Arnovitz, Senior Vice President, Investor Relations and Enterprise Risk Management, named to TopGun Investor Relations Officers for Global Industrials Sectors – Aerospace/Defense



CEO, Marc Parent, at the 21st Annual Living Legends of Aviation Awards



Hélène V. Gagnon recognized among most influential sustainability leaders

CIO Views highlights H el ene V. Gagnon's pivotal role as CAE's first Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement. The magazine's [cover article](#) provides insights into H el ene's vision and CAE's journey towards a sustainable future.

Meeting of NATO Ministers of Defence in Brussels

France H ebert, Vice President and General Manager, D&S Canada, was honoured to participate in an inaugural joint meeting between defence industry, Alliance Defence Ministers and NATO staff on the topic of the trans-Atlantic defence industrial base in Brussels, Belgium.

As the sole Canadian firm selected, CAE was proud to provide input to this critical exchange and brought forward insights pertinent not only to our global role as an advanced military and civilian aerospace training provider, but also as a committed partner to the Canadian Government and a strong advocate for Canadian industry in general.

CABC: Nurturing relationships on both sides of the border

As Vice Chair of the [Canadian American Business Council](#) (CABC), H el ene V. Gagnon hosted CABC colleagues at our Montreal headquarters for a roundtable on U.S.–Quebec/U.S.–Canada relationships. The group also met with Quebec Ministers Christopher Skeete and Pierre Fitzgibbon to further strengthen cross-border trade. ►

Membership associations

As an active member of various associations, CAE promotes the missions and objectives of these organizations through our involvement in governance roles and strategic alignments, also making regular contributions as a change agent to thought leadership at multiple events. ■

International

- ARINC
 - Flight Simulator Engineering and Maintenance Committee (*FSEMC*)
- International Air Transport Association (*IATA*)
- Open Geospatial Consortium (*OGC*)

Canada

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

U.S.

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

Europe, Middle East, Africa

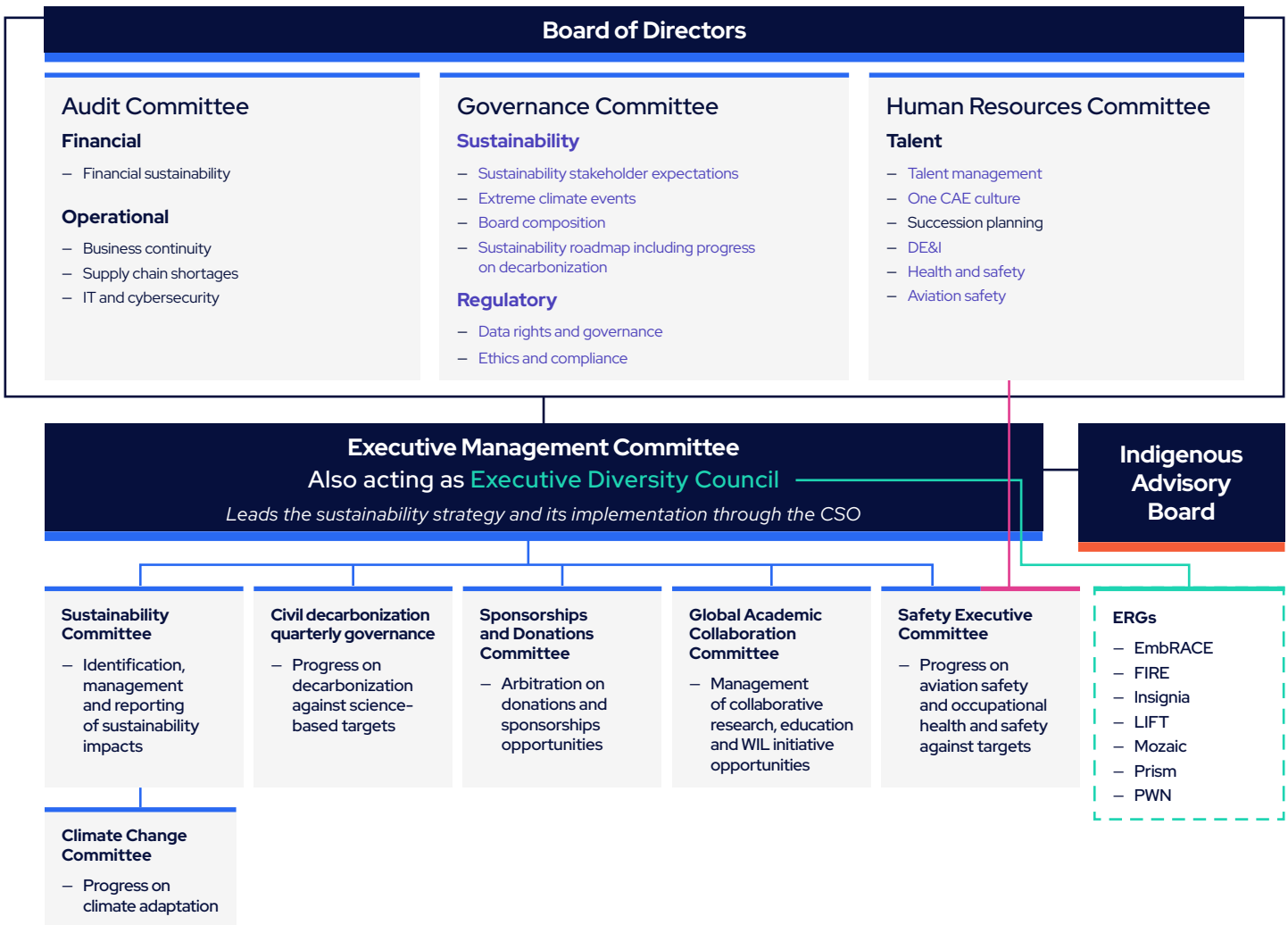
- Royal Aeronautical Society (*RAS*)
- European Business Aviation Association (*EBAA*)
- Germany – Bundesverband Deutschen Sicherheits- und Verteidigungsindustrie (*BDSV*) *The German Security and Defence Industry*
 - Working Group Simulation
 - Working Group Crisis Management
- Germany – Federal Aerospace Industry Association (*BDLI*)
- Greece – Canada-Greece Chamber of Commerce
- Hungary – Canadian Chamber of Commerce in Hungary

IPAC

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

Sustainability governance

CAE's corporate governance is rooted in the basic principle that ethical practices lead to the creation and preservation of company value. 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 EMC. ▶



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

Board of Directors

CAE’s Board of Directors reviews, provides strategic guidance for and endorses major sustainability-related initiatives. Additionally, the Board approves our Global Annual Activity and Sustainability Report. Further details on Board roles and responsibilities are available in the section [Corporate governance](#). 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 roadmap. These updates, which include progress on corporate disclosure of non-financial performance, are presented by the Chief Sustainability Officer (CSO) and Senior Vice President, Stakeholder Engagement.

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 resilience strategy. The Board’s Audit Committee performs a quarterly assessment of IT and cybersecurity 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 diversity, equity and inclusion (DE&I) topics 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 roadmap 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 biannual updates on sustainability trends and DE&I.

As an EMC member, CAE’s CSO 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.

The role was expanded in FY24 to sponsor the Health and Safety function, with the objective of strengthening CAE’s safety culture throughout the organization. Chaired by the CSO, the Safety Executive Committee meets quarterly to assess organizational performance against health and safety and aviation safety targets.

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 accountabilities.

Detailed information about the compensation of the EMC, which reflects these considerations, can be found in our [FY24 Management Proxy Circular](#). ▶



Sustainability Committee

The Sustainability Committee oversees the identification, management and reporting of the company's most significant sustainability impacts and monitors industry trends to identify and manage sustainability-related risks and opportunities (R&Os). Chaired by the CSO, the Committee meets quarterly.

The Sustainability Committee includes members of the EMC and representation from CAE's business units and from all functions having ownership of direct or indirect sustainability R&Os. Further detailed in [the Sustainability governance chart](#).

In addition to the Sustainability Committee, working groups deal with various sustainability risks such as human rights as an example. Both the CSO and General Counsel, Chief Compliance Officer and Corporate Secretary are responsible for the related risk management program and policy.

Climate Change Committee

As a subcommittee of the Sustainability Committee, the multidisciplinary Climate Change Committee includes representation from key departments that share the common goal of improving climate risk management at CAE and integrating climate change risks and opportunities into CAE's corporate strategy.

Civil decarbonization quarterly governance

Our Civil Aviation leadership team meets quarterly to measure the progress of the business unit's decarbonization strategy and take further action. They work closely with the GPSM and Global Environment, and Climate Change teams to explore decarbonization opportunities, consulting internal experts in other key functions as needed. ■



Environment



3
Good health
and well-being



8
Decent work and
economic growth



13
Climate
action

Climate change resilience

Why it matters

With the rise in unpredictable severe weather events, governments, industries and businesses are acutely aware of the importance of including climate change resiliency, along with net zero targets, into their strategy and decision making.

CAE employs close to 13,000 people and operates a network of some 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 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 leaders and partner to our suppliers, we mitigate risks and derive business value for CAE stakeholders.

Governance

The Board of Directors’ Governance Committee annually reviews CAE’s sustainability strategy, which incorporates climate change resilience, and receives updates on climate change as one of the top 20 risks regularly monitored and addressed in our quarterly Enterprise Risk Management report.

The Committee also receives reports from the Chief Sustainability Officer (CSO) and Senior Vice President, Stakeholder Engagement for guidance and orientation. As risk owner, the CSO is accountable for identifying, developing and monitoring CAE’s climate change risk management strategy.

Global Operational Risk Management, Security & 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 and support the EMC in implementing strategic decisions. Executive Management Committee (EMC) members, leaders who supervise various teams and core functions, ensure that the appropriate resources are in place to mitigate the risks identified.

Operating under the EMC and directly reporting to the CSO, the Climate Change Committee contributes to the integration of climate change risks and opportunities into CAE’s business strategy. ■

Management approach

We undertake regular assessments and analyses to ensure CAE’s continued diligence on climate change resilience. Risk assessment deep dives performed at six CAE facilities by the Climate Change Committee in FY22 followed two scenarios:

- **A high warming scenario** to assess physical risks at the sites with a representative concentration pathway 8.5 (*RCP8.5*), the emissions scenario used to test unmitigated climate change by the Intergovernmental Panel on Climate Change (*IPCC*).
- **A low warming scenario** to assess transition risks at our sites under the assumption of escalating climate policies designed to help meet local, national and international carbon reduction targets. Aligned with the 2°C scenario in IPCC’s Sixth Assessment Report.

We then leveraged this initial assessment to launch a company-wide survey in FY23–FY24, requesting all CAE site leaders to self-assess their site’s exposure to climate change risks and opportunities. The relevant conclusions of survey analysis will be factored into broader CAE risk management and business continuity processes to enrich and guide their strategy.

Our performance

As a sustainability partner of choice, CAE’s actions toward climate change resilience generate increasing opportunities to help our customers reduce their carbon footprint and, therefore, their impact on the climate. In FY24, CAE demonstrated the potential of our core simulation capabilities in the renewable energy market by successfully modelling the unmanned platform deployment scenarios used by a customer to service offshore wind turbines. Also see [Sustainable products and services](#). ▶

The analysis allowed the refinement of our primary risks and opportunities previously identified, thereby facilitating the refinement of our original climate change risk heat map. Our next steps involve building upon these findings to craft a global mitigation plan and, where necessary, directing attention towards localized risks that warrant heightened consideration.

In FY24, CAE moved forward on a pilot project to assess the level of financial exposure associated with a selection of our most important climate-related risks and opportunities, as highlighted in [Our performance](#).

Additionally, as part of our proactive approach to addressing upcoming changes in sustainability disclosure requirements, CAE plans to align our climate-related risks and opportunities with newly released global rules and standards.

This includes IFRS S1 and IFRS S2, inaugural standards issued by the International Sustainability Standards Board.

For detailed information, please refer to the [TCFD Index](#).



Climate risk quantification

As part of a pilot project to assess the potential financial impacts of our most significant climate-related risks¹, we selected a representative sample of CAE’s global network and applied specific physical climate risk indicators.

We calculated the range of financial impacts for each climate indicator, whether acute or chronic, to quantify the most important climate-related risks over short- and long term horizons. CAE will use this assessment to develop climate resilience and contingency plans for select locations and incorporate the findings in our review of pending actions on climate-related risks and opportunities.

Raising awareness on climate change

In accordance with our Climate change resilience roadmap, the Board of Directors and EMC were trained on climate risks and opportunities in context of our organization and industry to further the alignment of CAE’s decision-making processes with sustainability considerations. ■

Thought leadership

Aerospace Industries Association of Canada
Canadian Aerospace Summit

Salimah Lalji, master of ceremonies/speaker
and H el ene V. Gagnon, speaker

Glasgow Financial Alliance for Net-Zero (GFANZ)
Transition Planning Video Series: September 2023

[Watch the video.](#)

New York Climate week
Choppy waters or smooth sailing?
Navigating Corporate Climate Action in 2023
H el ene V. Gagnon, speaker

Climate change resilience roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> > Analysis of the exposure of all CAE sites to climate change-related risks and opportunities completed > Pilot project to financially quantify one of the most material climate-related risks > 100% of the Board of Directors and EMC trained on climate risks and opportunities adapted to CAE’s context 	FY24	Achieved
<ul style="list-style-type: none"> > Quantify most important climate-related risks 	FY26	On track
<ul style="list-style-type: none"> > Deploy climate change resilience guidelines across CAE’s network 	FY28	On track

¹ [The Task Force on Climate-Related Financial Disclosures](#) divides climate-related risks into two major categories: (1) risks related to the transition to a lower carbon economy and (2) risks related to the physical impacts of climate change. Physical risks resulting from climate change can be event-driven (acute) or longer-term shifts (chronic) in climate patterns.

Carbon impact

Why it matters

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

We began measuring our carbon inventory in 2017 to get a comprehensive understanding of our environmental footprint and identify carbon reduction opportunities. We continue to broaden our reporting scope as part of our commitment to continuous improvement, transparency and regulatory compliance – all highly material to the values and success of our organization.

CAE's carbon inventory reporting aligns with [GHG Protocol](#).

See [Decarbonization strategy](#) to learn more about how we plan on reducing our carbon impact.

Management approach

Carbon inventory

CAE's initial carbon inventory reporting covered Scope 1 and 2 emissions. In 2019, CEO Marc Parent announced CAE's pledge to achieve carbon neutrality, a milestone achieved in 2020, and we extended our reporting to cover partial Scope 3 emissions (i.e. employee air business travel).

In FY22, we evaluated the materiality of all 15 Scope 3 categories and expanded our emissions reporting to three new categories (i.e. purchased goods and services, capital goods, and fuel-and-energy-related activities).

In FY23, we refined our Scope 3 calculation methodology on specific categories evaluated as material and disclosed an additional category (i.e. employee commuting). In collaboration with CAE's Internal Audit team, we also reviewed Scope 1 and 2 data collection and calculation processes, which led to the identification of risks and potential improvement opportunities. Deployment of additional controls to ensure better data quality and traceability followed.

In FY24, we further solidified our processes by conducting an external readiness assessment for Scope 1 and 2 data in alignment with [ISO 14064](#) and GHG Protocol standards, in preparation for external limited assurance.

The ongoing broadening and deepening of CAE's carbon emissions data represents a significant and gratifying achievement for us, given that our organization oversees a complex supply chain across an extended international network.



Nature of Scope 1, 2 3 emissions

Scope 1 > 20,900 tonnes of CO₂e in FY24

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



– Aviation Fuel (63%)



– Buildings (33%)



– Fuel for company cars and buses (3%)

Scope 2 > 57,256 tonnes of CO₂e in FY24 (location-based)

GHG emissions resulting from the generation of electricity.



– Electricity for buildings and simulators (98%)



– Steam, heat and cooling (2%)

Scope 3-Partial > 238,790 tonnes of CO₂e in FY24

GHG emissions from sources not owned or directly controlled by CAE but related to CAE activities.¹



– Purchased goods and services & Capital goods (83%)



– Fuel- and energy-related activities (7%)



– Business travel (7%)



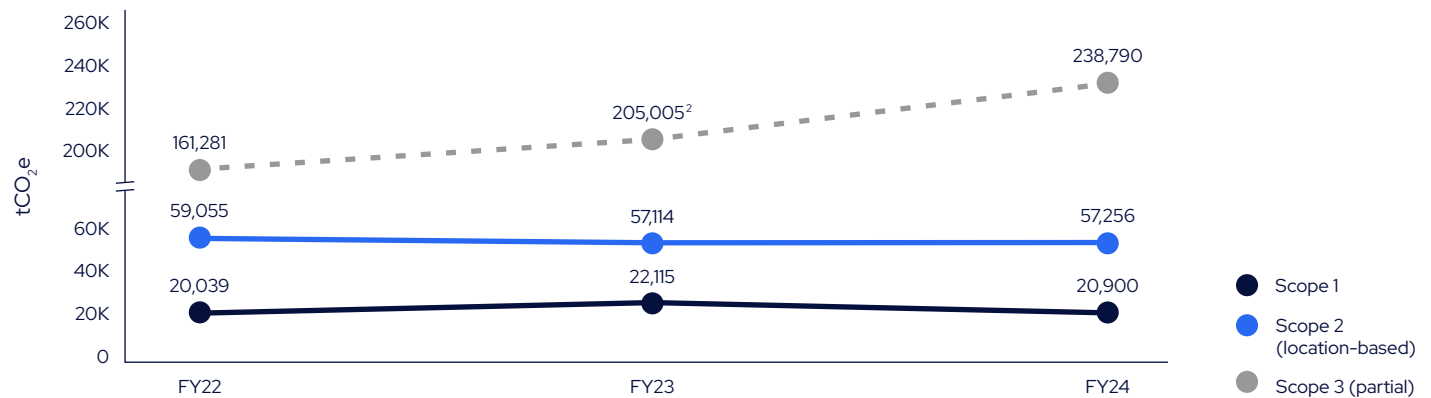
– Employee commuting (2%)

Our performance

From FY21-24, we reduced Scope 1 and Location-based Scope 2 carbon emissions by 10%, including a retroactive adjustment of emissions associated with acquired entities. Contributing factors include global energy savings captured through equipment efficiencies, the progression of LED lighting at our facilities, the rationalization of our real estate portfolio, amended training curriculum and decarbonization of grids in certain geographic regions.

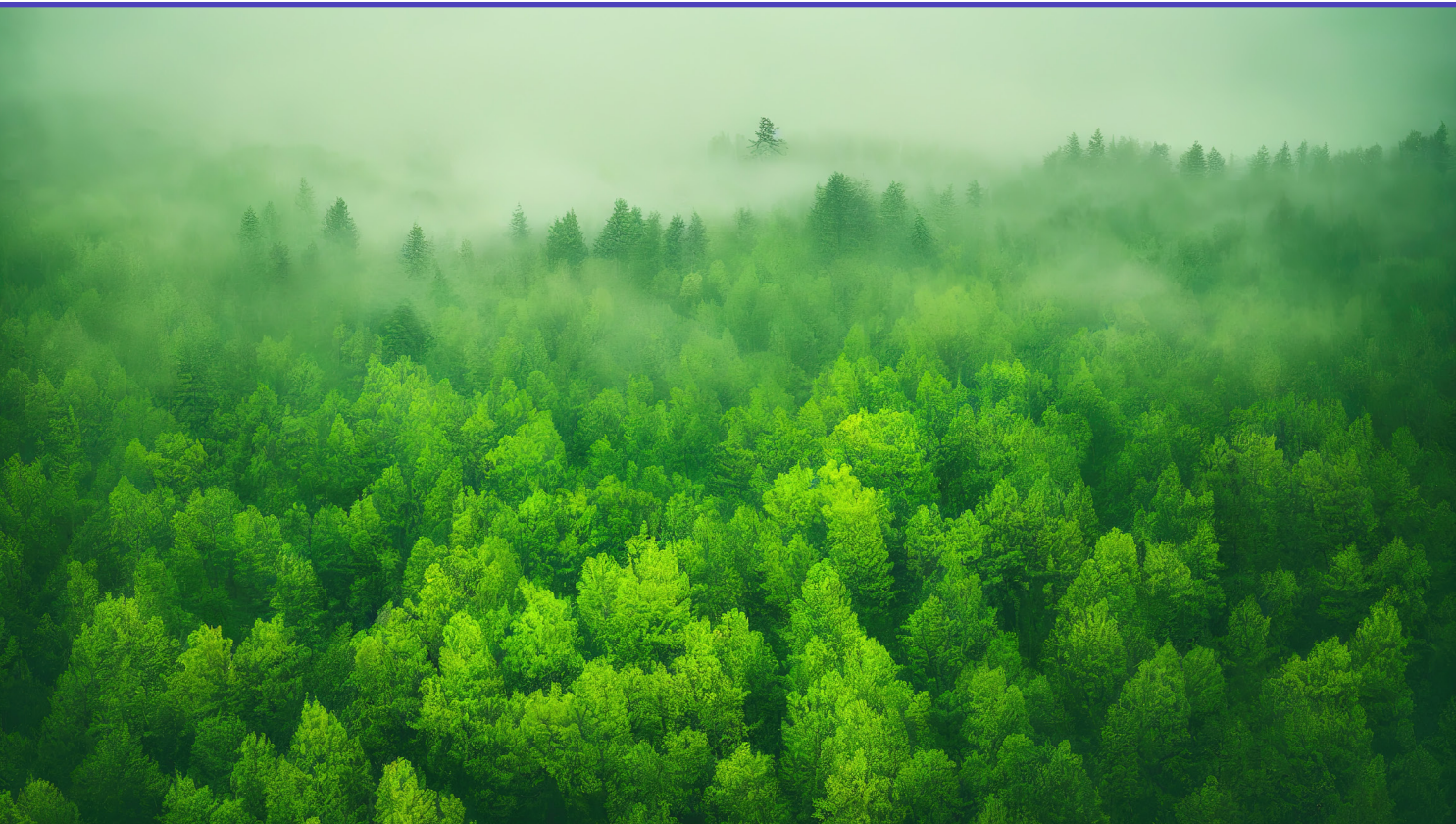
- **Scope 1** GHG emissions totalled 20,900 tonnes CO₂e in FY24, compared to 22,115 tonnes in FY23
- **Scope 2 (location-based)** emissions totalled 57,256 tonnes CO₂e in FY24, compared to 57,114 tonnes in FY23
- **Scope 3 (partial)** GHG emissions totalled 238,790 tonnes CO₂e in FY24, compared to 205,005 tonnes in FY23

Trend of Scope 1, 2 3 emissions



¹ Initial estimates based on spend.

² Increase in FY23 Scope 1 emissions driven by improvements to emissions data capture process for refrigerants usage across CAE sites. Increase in Scope 3 emissions due to expansion of calculation methodology for FY22-FY4 environmental reporting data, see [Appendix: GRI indicators](#).



Carbon impact roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> > Completion of Scope 3 inventory, using a spend-based approach and secondary data > External readiness assessment for Scope 1 and 2 data certified as per ISO 14064 	FY24	■ Achieved
<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"> > Complete a robust Scope 3 inventory, using a hybrid methodology with primary data coming from suppliers and progressive public reporting on all material Scope 3 categories 	FY28	■ On track

Decarbonization strategy

Why it matters

CAE’s carbon emissions are neither high when compared to other players in the aerospace and defence industry nor do they rank as significant on our materiality matrix. Yet we belong to an industry that, by its very nature of being hard-to-abate, necessitates concerted action to decarbonize and has made a highly visible commitment to climate change. We must do our part. Recognizing this, CAE is steadfast in its dedication to furthering decarbonization efforts, understanding that every step taken is vital considering the global climate action entailed.

Through multiple partnerships and our pursuit of innovative sustainable solutions, we support our customers and advance 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 CSO, governance responsibilities regarding our decarbonization strategy extend to multiple internal stakeholders. These stakeholders converge within the Sustainability Committee, which serves as a focal point for key functions, enabling alignment to fulfill the objectives outlined in the decarbonization strategy roadmap.

See also [Sustainability governance: Sustainability Committee](#).

The Civil decarbonization quarterly governance closely monitors and reports on the advancement of several decarbonization projects with well-defined objectives.

It defines the business unit’s decarbonization plan, which includes enhancing practices related to real estate management and sustainable aviation, while also exploring future opportunities for carbon emissions reduction.

CAE's actions on decarbonization and climate change



1 In buildings where CAE has operational control.

2 Covers Scope 3 emissions related to employee business travel.





3 Either through on-site generation or by purchasing EACs, where available within market boundaries or from neighbouring markets.

4 Purchased goods and services, capital goods, and fuel- and energy-related activities (not included in Scope 1 or Scope 2)

Management approach

Strategy organized under four main streams

Recognizing the importance of the industry's role in climate action, we developed our first decarbonization plan in 2022, with the purpose of reducing our carbon footprint. We since progressed in our strategy to reduce our GHG emissions at the source, pursuing opportunities identified under a decarbonization strategy organized in four streams.

 <p>Sustainable buildings See Energy consumption</p>	 <p>Sustainable products See Sustainable products and services</p>	 <p>Sustainable aviation See Sustainable products and services</p>	 <p>Sustainable sourcing See Sustainable sourcing</p>
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CAE's journey to achieving carbon neutrality

In 2020, we achieved and continued to maintain carbon neutrality in subsequent years by reducing our emissions at the source, through innovation in sustainable solutions and purchasing Energy Attribute Certificates (EACs) and carbon offsets¹ for emissions within our carbon neutrality scope. Being the first carbon neutral aerospace company in Canada highlights our proactive engagement, serving as a driving force of all our sustainability initiatives.

The scope of our carbon neutrality covered:

 <p>Emissions from the fuel used for live training flights in our academies</p>	 <p>Emissions from the energy consumption of our sites worldwide²</p>	 <p>Emissions related to the air business travels of all our employees and to company-owned vehicles</p>
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Our main energy sources, including renewable energy, and our use of EACs is further detailed in our [Energy consumption](#) section.

CAE held a diversified carbon offset portfolio that is continuously monitored and that respects purchasing criteria established internally. Our investments have contributed to reforestation and conservation, renewable energy, biochar production and funding climate change research.

The cost of offsetting our organization's carbon emissions is shared among business units in proportion to their share of CAE's overall emissions. This practice served as a built-in incentive to reduce emissions at the source across the organization.

As we transition from carbon offsetting to emission reduction at the source, we continue to believe that carbon offsetting is a valuable transition solution to drive awareness and traction within the organization and a springboard to unlock greater sustainability effort.

¹ We offset our Scope 1 emissions, remaining Scope 2 emissions by purchasing carbon offsets. Additionally, we utilize EACs for our Scope 2 emissions, enabling us to assert our use of renewable electricity.
² Including fugitive emissions.

Our performance

Transitioning to decarbonization by committing to science-based targets

Improving our long term resilience within an evolving market landscape is key to CAE. We are committed to enhancing our decarbonization strategy, as per our dedication to aligning our sustainability actions with climate science.

Accordingly, in FY24, CAE committed to setting near-term, company-wide emission reductions in line with the Science Based Targets initiative (SBTi) methodology. Our near-term targets are currently under approval by the SBTi which positions CAE on the net zero trajectory. In FY25, we will accelerate our efforts to attain CAE's decarbonization targets.

What is the Science Based Targets initiative?

The [SBTi](#) drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets aligned with the latest climate science. The initiative focuses on accelerating the progress of companies worldwide to halve their emissions before 2030 and achieve net zero emissions before 2050.

The SBTi defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption and independently assesses and approves companies' targets.

The SBTi is a partnership between CDP, UNGC, the World Resources Institute and the World Wide Fund for Nature.

Raising awareness of SAF's contribution to decarbonization

To support our business aviation customers' decarbonization journey, CAE leveraged our reach to raise awareness across the pilot community and published material about the crucial role of sustainable aviation fuel (SAF) usage in the industry's overall decarbonization strategy. This material was made available through our CAE Crew Training app, used by all cadets and pilots trained by CAE.

Thought leadership

On a shared mission to net zero
Climbing. Fast. Business aviation sustainability campaign

Ed Bolen, H el ene V. Gagnon

[Watch our video.](#)





Decarbonization strategy roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> Setting and committing to near-term and long term GHG emission and renewable energy targets as per SBTi and RE100 criteria 	FY24	■ Achieved ¹
<ul style="list-style-type: none"> Develop and deploy the detailed decarbonization and renewable energy procurement plan aligned with GHG emission reduction targets approved by SBTi and RE100 	FY25	■ On track
<ul style="list-style-type: none"> Deploy decarbonization plan throughout CAE’s operations and supply chain 	FY28	■ On track

¹ SBTi: Near-term target established with net zero commitment; RE100: Near- and long term targets established.

Energy consumption

Why it matters

CAE’s global buildings network represents around 80% of our Scope 1 and 2 emissions, with annual electricity consumption generating approximately 50,000 tonnes of CO₂e. 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, gasoline and jet fuel. Some of this energy is produced by CAE, such as solar power. We purchase the rest from external providers as either renewable or non-renewable energy.

Our FY24 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 generation 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, technology, age of the power plant and vintage (year of generation).

Sustainable buildings

Sustainable buildings, one of 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, with a specific focus on optimizing the total footprint of our current portfolio. Moreover, sites with the highest carbon footprint undergo ASHRAE energy audits. Actionable opportunities are subsequently identified and organized into a comprehensive business case.

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 Environmental and Energy Efficiency Construction Process Guidelines optimize design and construction practices to achieve our goal of energy efficiency and low carbon footprint. We continue to broaden these guidelines, now requiring that all new constructions obtain an energy certification recognized by the [World Green Building Council](#).

We also supply our facilities with the CAE Best Practices Energy Guide to optimize energy use and maximize equipment performance.

Our performance

Improvements of our real estate portfolio

In FY24, six energy audits were conducted, leading to applicable energy and GHG emissions savings measures. Projects arising from these energy audits will be thoroughly examined in the coming months.

In connection with past energy audits, a few projects currently underway should, at term, total 3,200,000 kWh in energy savings. This translates to a reduction of approximately 1,500 tonnes of CO₂e emissions.

While we expanded due to openings and construction of new training centres, we optimized existing office space and warehouses to trim our real estate portfolio by approximately 54,000 square feet.

New training centres build on sustainability

The CAE Savannah Training Centre, located in the U.S., served as a pilot project for our sustainable building standards. Based on local energy market conditions in Georgia, our construction process achieved an 18% reduction in carbon emissions compared to traditional construction methods.

We also applied our Environmental and Energy Efficiency Construction Process Guidelines to CAE’s Sydney Training Centre, which will open shortly and received a Green Star Building certification rating of 5 stars under the [Green Building Council of Australia](#).

For our future business aviation training centre in Vienna, Austria, set to be fully operational by March 2025, we aim to meet the Gold-level standards of the [DGNB](#).

CAE and AEGEAN partnered to establish a flight training centre in Greece, which is hosted in one of the most advanced aircraft services facilities in southeastern Europe, to be powered mostly by solar energy. Construction of the centre’s photovoltaic park, now underway, includes an array of some 5,200 solar panels installed on the curved roof top of the new hangar building.

These panels will cover an estimated 150,000 square feet and generate more than 4.5 GWh of energy per year.



Virtualization of the simulator computer complex

We are starting to virtualize our on-site laboratories and simulator computer complex by migrating computer cabinets to on-premise data servers. Virtualization results in less physical parts assembly, a smaller physical footprint and reduced power consumption. The migration will occur in phases, starting with the laboratories, while prototyping of the simulator computer complex is underway at some of our training centres.

Sustainable products and services

Why it matters

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

We support the decarbonization objectives of our civil aviation customers and industry partners, in alignment with the International Civil Aviation Organization’s goal of achieving net zero¹ carbon emissions in aviation by 2050. In the defence and security sector, the Australian Defence Force plans to achieve net zero emissions by 2040, while Canada’s Department of National Defence committed to a 40% reduction in its GHG emissions by 2025. These strong signals demonstrate the willingness of our defence customers to tackle climate change effects and embrace the potential of sustainable technologies and innovations.

Governance

CAE’s Chief Technology and Product Officer ensures sustainability starts at the product development level, a mandate shared by our Division President Flight Solutions and Global Operations. Furthermore, a dedicated leadership team under Global Procurement and Supply Management (GPSM) oversees governance responsibilities concerning our suppliers and their sustainability journey. Environmental criteria also factor into our capital allocation decisions and R&D product innovation investment books.

See [R&D and innovation: Governance](#).

Management approach

Eco-design requirements

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 conception to development, transport to end of life. To increase the sustainability of our product portfolio, we look at opportunities to incorporate eco-design specifications into our product manufacturing and sourcing processes.

CAE’s eco-design practices contribute to our decarbonization strategy by eliminating use of product components and production processes associated with CO₂e emissions. Additional eco-design factors include compliance, quality and reliability of resources, as well as product recyclability and maintainability. Our environmental design and performance considerations extend to materials used.

We evaluate the recyclability and reusability of materials once a product is decommissioned and work with suppliers to capture economies throughout the product lifecycle. These efforts lead to the development of future products that are, at their core, more beneficial to our customers and the environment.

Additional information on our sustainable products and services is included in the [Responsible resource use](#) and [R&D and innovation](#) sections.

Upcycling

Introducing new, easier to recycle and more sustainable materials into our simulators makes upcycling an option for our customers. See [Responsible resource use](#) for information on other CAE recycling and refurbishing initiatives.

¹ Net-zero: A state of balance between anthropogenic emissions and anthropogenic removals. In most cases, it is important to specify either net-zero CO₂ emissions or net-zero GHG emissions, which also includes non-CO₂ GHGs. Net-zero GHG emissions must be achieved at the global level to stabilize temperature increase and targets set using the Net-Zero Standard must cover all UNFCCC/Kyoto GHG emissions. Source: SBTi.



Our performance

Immersive simulation and technologies

Realizing environmental benefits through simulation-based training

As the core of our global manufacturing and flight training activities, simulators are a key element to our decarbonization strategy. In FY24, CAE allocated investments to incorporate features aligned with eco-design requirements to help reduce the carbon footprint of our training operations.

The average volume of CO₂e emissions avoided for our civil aviation business unit only, through the use of CAE full-flight simulators (FFSs) for pilot training versus live aircraft, totals over five million tonnes per year. The number of FFSs in CAE's network is further detailed in our [FY24 Management's Discussion and Analysis \(MD&A\)](#), under Supplementary non-financial information definitions.

Training curriculums

Helping pilots burn less aviation fuel

We have added fuel efficiency training to our aviation training program. Pilots learn how to reduce fuel consumption by considering weather conditions, step-down altitude and/or flight phase (taxiing, landing). We are exploring the benefits of providing training on how pilots can use weather forecasts or change their flight route to prevent the climate change impact of contrails.

In our Civil aviation business unit, substantial changes were made to the training curriculum in our Flight Training Organization. This will contribute to savings of more than 900 tonnes of CO₂e in FY24 through an increase in full-flight simulators dedicated to a specific type of aircraft in replacement of live flights and by optimizing our aircraft fleet.

CAE Rise and adaptive training

Avoiding carbon emissions, leveraging data intelligence

As the industry moves toward competency-based training and adaptive learning, our vision is for CAE Rise to become the foundation of a 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 reductions in carbon-emitting training activities. ▶

Electric aircraft

Taking concrete steps for sustainable training operations

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 about 63% of our Scope 1 carbon emissions by curbing aviation fuel consumption.

Expansion signals industry advance in electric aviation

Swiss company H55, which specializes in electric propulsion solutions for the aviation industry, began construction of its North American premises and Canadian headquarters in October 2023.

CAE, which selected H55 to provide the battery system for our Piper Archer training fleet conversion kit, was instrumental in attracting the firm to the Quebec and Canadian aerospace ecosystem.¹



Flight Operations Solutions

Industry-leading digital ecosystem to enhance operator efficiency and sustainability

CAE's Flight Operations Solutions offers business aviation, commercial airlines and electric Vertical Take Off and Landing (eVTOL) aircraft operators opportunities to unlock additional efficiency and sustainability across their entire operations portfolio.

Examples include our optimization capabilities determining the most optimal flight routes, which enable more efficient and sustainable flight plans for reduced fuel consumption and CO₂e emissions during the duration of a flight, or our In-Flight Services, which provide customers the necessary tools to reduce food waste and weight on board. Precise aircraft positioning reduces taxiing time on the tarmac, leading to substantial fuel savings. ▶

¹ The H55 groundbreaking ceremony attracted senior industry and government leaders. Representing CAE (left to right): Héliène V. Gagnon, CSO; Marc St-Hilaire, Vice President, Special Projects and Expert Advisor to the Chief Technology and Product Officer; Stella Filippatos, Director Program Management, Electrical Aircraft; and Houssam Alaoui, Global Head of Collaboration and Government Programs, and Academic Partnerships.

CAE customers contribute to sustainable future for aviation

The significance of our partnership with Endeavor Air lies not only in efficiency, but also in sustainability.

By implementing CAE's eFlight Manager (eFM), Endeavor Air revolutionizes its flight data delivery and saves million pieces of paper annually. By adopting eFM, Endeavor Air contributes to a more environmentally conscious future for aviation.

CAE supported Virgin Atlantic when they completed the world's first transatlantic flight by commercial aircraft fuelled entirely by sustainable aviation fuel (SAF).

CAE's Flight Plan Manager was used to produce the Operational Flight Plan and briefing, playing a pivotal role in planning and executing this groundbreaking milestone in sustainable aviation. To raise awareness of SAF's critical contribution to sustainable aviation, we leveraged our CAE Crew Training app, as further detailed in [Decarbonization strategy: Our performance](#).

eVTOL

Supporting OEMs in the transition to AAM

CAE's expertise supports OEMs through all stages of eVTOL adoption, from simulator design and development to pilot training and aircraft certification. The CAE 700MXR simulator, which delivers an unrivalled training experience for future eVTOL pilots, significantly reduces carbon emissions compared to traditional training devices.

Our integrated suite of digital solutions enables customers to tap into a data-rich AAM ecosystem that connects simulation to pilot training and flight operations.

See [CAE pilot training for AAM](#).

First international eVTOL flight touches down in Montreal

CAE partner BETA Technologies celebrated a milestone in Advanced Air Mobility. BETA's eVTOL ALIA completed its first international flight, making history as the first all-electric aircraft to touch down in Montreal. The ALIA aircraft took off in conventional airplane mode from BETA's flight test centre at the Plattsburgh International Airport in New York and crossed the international border into Canada, landing at Montreal-Trudeau International Airport near CAE's headquarters. ■

Thought leadership

eVTOL Insights: London Conference
AAM Pilot Training and Operational Challenges

Marilyn Pearson, panel moderator

International Paris Air Show
The Move to Electric Aircraft

Marilyn Pearson, panel moderator

Forbes Magazine
How CAE is set to transform the aviation industry

Pascal Grenier, interviewee

The Corporate Jet Investor Town Hall
Strategies to address the pilot, mechanic and engineer shortage in the business aviation industry

Roger Marszalek and Russell Allchorne, speakers

The CEO Series with McGill's Karl Moore

Marc Parent and Pascal Grenier, speakers

CAE SPC User Conference 2023
"Together as Partners"

Contribution to the AAM industry in 2023

Women in eVTOL Special Report 2023

Marilyn Pearson

Emerging AAM influencers in 2023

Ones to Watch Special Report 2023

Stella-Marissa Hughes

Sustainable sourcing

Why it matters

As a leading manufacturer of training simulators and training services across over 40 countries, our supply chain extends around the globe. This complex network covers multiple production processes, with over 8,000 suppliers providing the significant volumes of parts and submodules required in the assembly of our Civil Aviation and Defense & Security training and operational support solutions.

With sustainable sourcing being a key vector of our decarbonization strategy, CAE consciously selects suppliers and materials that help us maximize our positive environmental and social impacts, sourcing close to our operations and knowing our key suppliers well.

Governance

Detailed in the section [Responsible supply chain management: Governance](#).

Management approach

To deliver tangible results stakeholders expect, our sustainability journey starts with sound supply chain practices. 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, our Supply Chain Management Program, positions sustainable practices at the core of our resiliency endeavours. To support this objective and promote an internal culture of sustainability, we appointed sustainability ambassadors throughout our sourcing organization. In FY24, these ambassadors undertook training on a variety of environmental topics, including carbon compensation and product stewardship.

We build sustainability from within, first by ensuring all CAE supply chain practitioners understand their roles and responsibilities in shaping a sustainable future. Collaborative projects, commercial agreements and concurrent engineering all reinforce our joint efforts to build sustainability into our daily global operations.

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



Our performance

Reducing Scope 3 emissions through supplier engagement

Through several programs and initiatives, CAE actively engages our suppliers to launch projects to reduce their carbon footprint, track their GHG emissions and include environmental criteria in their activities. These collaborative efforts mobilize our suppliers' teams to reduce their Scope 1 and 2 emissions, and to improve our Scope 3 data quality.

Under the CAE Resilient Together Program, launched in FY24, we prioritize key areas in our matrices such as decarbonization and supply chain risk monitoring. These matrices specifically evaluate our suppliers' capabilities in calculating their Scope 1, 2 and 3 emissions, formulating decarbonization strategies and implementing carbon reduction targets.

Learn more about this program in [Responsible supply chain management: Management approach](#). ▶

CAE suppliers participate in Aéro Montréal's Eco-Responsibility initiative

In FY23, we nominated 12 CAE suppliers as candidates for the [Aéro Montréal Eco-Responsibility initiative](#).

This novel program accompanies participants through an ESG maturity assessment, a baseline study of their GHG emissions, training on waste management practices and supply chain risks, and creation of a customized eco-responsible path.

As of FY24, out of the 12 candidates we nominated last year:

- One supplier successfully completed the program
- Three suppliers had already put sustainable practices and processes in place
- Four suppliers joined the program's January 2024 cohort
- The four remaining suppliers are planning the initiative in their business strategy in the year ahead

Collaboration with Excellence Industrielle Saint-Laurent

In FY23, we approached [Excellence Industrielle Saint-Laurent](#), an economic development agency in Montreal, to collaborate on ways to improve residual (waste) materials management in the region. One significant new initiative underway in FY24 will establish a recycling circuit within the Saint-Laurent industrial park, laying the groundwork for a circular economy.

CAE and IAEG expand dynamic partnership

As an International Aerospace Environmental Group (IAEG) member, CAE contributes to the development of voluntary consensus standards and solutions for the environmental regulatory and sustainability challenges facing the aerospace and defence industry.

IAEG workgroups address issues such as chemical material declarations and reporting requirements, GHG reporting guidance and ESG engagement. CAE further supports the IAEG in its vision and mission as a newly appointed Director and member of multiple workgroups. ▶

IAEG Board of Directors welcomes CAE Director

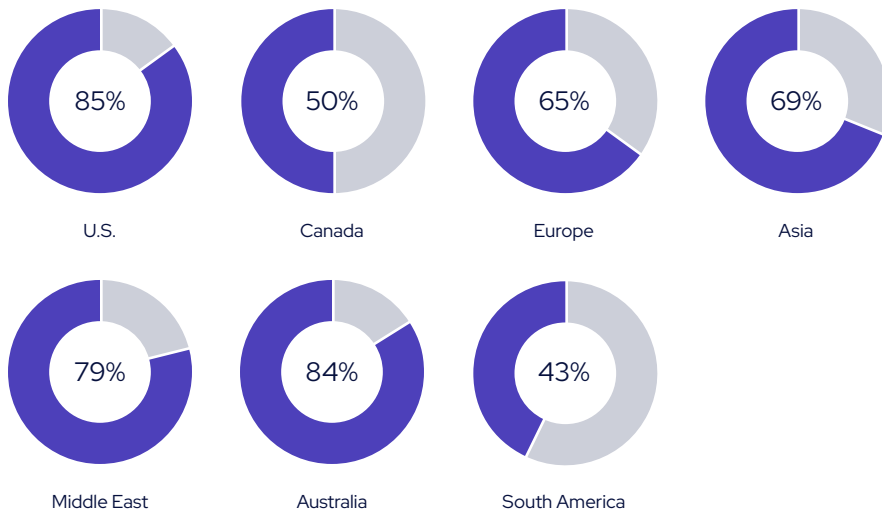


Hélène V. Gagnon, CAE CSO and Executive Management Committee member, joined the International Aerospace Environmental Group (IAEG) Board as a Director. In this role, Hélène will contribute her leadership and expertise to further IAEG's impact as an organization delivering innovative sustainability solutions to benefit the global aerospace industry.

Local sourcing

The majority of our suppliers are located within a 500-kilometre radius of our operations, reducing CAE's Scope 3 global GHG emissions related to transportation of goods and services. Local sourcing is a primary criterion in CAE's supplier selection and we dual source to increase our supply network's resiliency. We also encourage our suppliers to select commodities and partners with the lowest environmental impact.

Proportion of spending on local suppliers in FY24



Logistics optimization

CAE transports large, heavy and fragile parts daily, either to our locations or those of our customers. Logistics are critical to how we lower the environmental impact of our operations and supply chain, from packaging to routes, to promote sustainability and responsible business practices.

In FY23, we improved transport logistics by changing the way we move and group components. In FY24, we focused on making our North America routes more efficient and cutting down on packaging. ■



CAE Supplier Forums drive change, promote supply chain resilience

CAE Virtual Supplier Forum

In November 2023, we hosted our third annual CAE Virtual Supplier Forum for onboarded or prospective suppliers. With the event theme *Driving change – Uncovering the Value of Supplier Sustainability Evaluations*, discussions centred on the value of sustainability evaluations and how the insights they bring shape our collective journey toward a more sustainable supply chain and responsible future. We also shared related achievements and initiatives underway at CAE, emphasizing the pivotal role of our suppliers in driving change.

Watch the [CAE Supplier Forum video](#) for full coverage.



CAE Supply Chain Forum 2024 – Resilient Together

In February 2024, CAE held the second edition of our in-person Supplier Forum for our key suppliers who represent over 65% spend on our flagship CAE 7000XR Series full-flight simulator. Over 120 participants, including our 14 key supply chain partners, contributed to rich exchanges, with insightful presentations, interactive discussions and sustainability journeys as the backdrop.

We place a high priority on these events as privileged moments to celebrate the past year’s progress and set our sights on what matters for a sustainable and prosperous journey ahead. The two-day event featured presentations and workgroups that focused on decarbonization and supply chain resilience. Training sessions inspired by the Climate Fresk saliently highlighted the causes and impacts of climate change in the aerospace industry.

Sustainable sourcing roadmap

Associated SDGs



Key result	Target year	Status
> Embed ESG criteria in supplier performance evaluation and agreements	FY25	On track
> Complete the first wave ¹ of the GHG reduction program with suppliers	FY26	On track
> Complete the second wave ² of the GHG reduction program with suppliers	FY28	On track

¹ For our direct strategic suppliers

² For all our direct suppliers

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 CSO, governance responsibilities pertaining to water and waste management extend to a dedicated leadership team under Corporate Environment, Climate Change and Health & Safety.

Management approach

CAE’s integrated 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 FY24, our environmental stewardship took a leap forward with the revamp of three major environmental programs:

- Hazardous and non-hazardous waste
- Hazardous materials management
- Spill prevention and management.

By adapting these programs to meet evolving environmental requirements and best practices, we established more robust and efficient processes.

Our sustainability work involves different aspects such as efficiency, responsible consumption and good waste management. Waste management is a crucial part of our sustainability work, as we want to cut down on waste in every stage of our products and services. We are exploring how to use the circular economy model in our operations. By transforming and enhancing our processes, we believe we can make waste into a resource and reduce its usage.



Our performance

Waste reduction

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 through production activities, confined to our three manufacturing, packaging and assembly sites in Montreal, Tampa Bay and Arlington.

Our waste management approach, which includes hazardous and non-hazardous materials, is covered in our Global EH&S Policy. We identify and implement pollution prevention practices to protect the environment and minimize the impact of our operations by limiting and improving the use of natural resources and waste generation.

Our teams always look for 3R opportunities. For FY24, we furthered initiatives undertaken in previous years, providing environmental benefits such as less packaging waste, reusable metal racks instead of wooden crates and wood residues recycling. Some of our locations have compost and sorting stations as normal features. Sorting stations help with effective use of space and resources and encourage healthy life and work habits.

Our partnerships with RECYKINFO and AIM, firms certified to recycle metals, printed circuit boards, cables and plastic, also further CAE’s recycling efforts. ▶

Hazardous waste

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. The quantity generated and management methods for hazardous waste are further detailed in our [GRI indicators](#) and [SASB Index](#).

Water management

CAE takes appropriate measures according to local characteristics to responsibly manage water consumption and use at our locations. The majority of our buildings operate on a closed-circuit cooling system and water use associated with human consumption (e.g. cafeteria, break rooms, restrooms) is minimal.

A materiality analysis was performed in FY23 to evaluate areas of water stress. CAE’s FY24 water consumption is further detailed in our [GRI indicators](#). ▶

Promoting a circular economy through upcycling

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

From FY20–FY24, we completed more than 130 significant cockpit refurbishment projects for customers. The refurbishment efforts at CAE use parts from decommissioned simulators and/or aircraft cockpits, along with used parts and components sourced individually or as kits. These are then restored to like-new condition for use in our training products. Additionally, refurbishments offer a sourcing solution to discontinued items and hard-to-source items, by reusing existing equipment. Refurbishment programs can also extend simulator life span as an alternative to replacement with new devices.

Additionally, our Aftermarket team performs updates and maintenance upgrades to extend the duration of our customers’ training devices, reducing operating costs and improving operational efficiency. We introduced the CAE SimHub Store, a unique online purchasing platform offering 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.



Digitization of work instructions

As part of our intent to transition to a paperless organization, we pursue the digitization of our global operations while recognizing and taking actions related to the wider environmental implications linked to digital usage. These considerations include utilization of computers with critical minerals and responsible management of electronic waste.

In FY23, our manufacturing site in Montreal initiated digitization of the paper-based work instructions and quality manuals used by CAE assembly workers. We plan to use digital work instructions and AI-based connected worker platforms to increase quality and efficiency, reduce errors and improve safety. The new setup represents an estimated annual paper savings of 360,000 letter-size sheets.

Redesign of parts delivery identification labels

Changes made to identification labels for parts headed to our Montreal production site also deliver significant environmental benefits, particularly in terms of water and resource usages.

The redesign optimizes information clarity and logistics delivery to ensure the right parts arrive at the right time and place. Reformatting halves the number of labels required to prepare parts for delivery. This reduction represents a savings of more than 250,000 labels a year, the equivalent of 62,000 sheets of paper, and several dozen rolls of ink. The lower volume also reduces the impact on our printers. ■

Biodiversity

Why it matters

Biodiversity holds significance for CAE as a cornerstone for sustainable business practices and responsible resource use. Recognizing the intricate interdependence between thriving ecosystems and our operational success, we acknowledge that the health and diversity of natural environments may impact our operations, supply chain and resilience. To that effect, we encourage local actions and invest in initiatives that foster biodiversity.

Governance

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

Management approach

In FY23, key teams related to functions that work closely on biodiversity-related topics, such as Corporate Environment, Climate Change and Health & Safety, Global Real Estate, Global Procurement and Supply Management, completed training on how to assess risks and identify opportunities related to biodiversity.

In FY24, CAE started to assess the impacts of our activities on biodiversity as per the newly released [Taskforce on Nature-related Financial Disclosures \(TNFD\) framework](#). As a first step, CAE underwent a biodiversity materiality and risk assessment. As explained in [Our performance](#) section, our objective is to better understand how our business both impacts and depends upon nature and the ecosystem services it provides. We are also in the final stages of analyzing the impacts and dependencies on biodiversity within CAE’s supply chain. While this analysis is complex and ongoing, we anticipate being in a position to share conclusions in FY25.



Investments in certified projects contribute to biodiversity conservation

We direct a portion of our investment in carbon offsets to certified projects that contribute to biodiversity conservation. In FY22, we selected a forest carbon sequestration project that met [Climate, Community & Biodiversity Standards](#) and achieved Gold Level status.

In FY23, we supported four climate and biodiversity projects, one involving improvement of forest management in Canada.

Our performance

Biodiversity materiality and risk assessment

In FY24, we assessed the linkages between our direct operations and biodiversity through a materiality and risk assessment. The methodology referenced TNFD, Science Based Targets for Nature and CDP requirements, while also leveraging our prior work on the Taskforce on Climate-related Financial Disclosures (TCFD), which is structured around the same four pillars¹. We used data from the ENCORE tool developed by the UN Environment Program Finance Initiative to identify material nature issues within the sectors in which we operate.

Following the recommendations of the TNFD’s LEAP approach (Locate, Evaluate, Assess and Prepare), we set several objectives, including identification of:

- Potential nature impacts and dependencies
- Nature-related risks and opportunities
- Locations where our direct operations interface with key biodiversity areas (KBAs)

As a key finding, our initial assessment identified that most locations fall within a low risk for impact on KBAs, with a few locations exhibiting higher physical nature-related risks.

For the sites identified with higher risks, these risks are primarily driven by pressures on biodiversity (i.e. the sites are operating in non-intact ecosystems) and/or impacts on the ecosystem’s ability to provide regulating services, such as protecting air or soil quality, or flood and erosion control. We identified three locations as priorities for further in-depth study to determine potential material impacts on biodiversity. ▶

About TNFD reporting

The Taskforce on Nature-related Financial Disclosures (TNFD) is a market-led, science-based and government-supported global initiative launched in September 2023. The TNFD provides recommendations and guidance for businesses and financial institutions to assess, report and act on their nature-related dependencies, impacts, risks and opportunities.

The TNFD disclosure recommendations are structured around four pillars, consistent with the TCFD and the International Sustainability Standards Board (ISSB). They accommodate the different approaches to materiality in use currently and are aligned with the goals and targets of the Kunming–Montreal Global Biodiversity Framework.



Taskforce on Nature-related
Financial Disclosures



¹ TNFD’s disclosures for all sectors are structured around four pillars: governance, strategy, risk and impact management, and metrics and targets.

Urban beekeeping and farming projects deliver sustainable benefits

CAE’s New Jersey Morristown Training Centre joined our Montreal and Dallas sites, operating rooftop beehives with the support of [Alvéole](#), a company with B Corp and 1% for the Planet certifications that helps businesses set up sustainable bee programs. Urban beekeeping, a viable way of supporting pollinators, also repurposes unused space.

Our Montreal site also partnered with [MicroHabitat](#) in 2022 to plant an on-campus urban garden. In summer 2023, our urban garden produced 750 pounds of vegetables, edible flowers and herbs, which were donated to local food banks or processed on site by the cafeteria, with 100 meals offered to the Breakfast Club of Canada. Our Dallas site also engaged MicroHabitat to build a garden at its facility.

New employee park offers well-being recreational space

Employees at our Montreal headquarters celebrated the June 2023 opening of “Le Radar” park (The Radar), a new on-site park that includes outdoor recreation and relaxation areas. The landscape features approximately 90 trees, 213 shrubs and close to 6,000 other types of vegetation. Plant selection considered adaptability, hardiness, functionality and variation to maximize the park’s contribution to local biodiversity and employee well-being.



“Le Radar” park

Mangrove planting in the United Arab Emirates

CAE sponsored the planting of 100 square metres of mangrove saplings on Yas Island in Abu Dhabi, as part of an [Emirates Nature–World Wide Fund for Nature project to restore mangrove ecosystems](#) in the United Arab Emirates. The project will ultimately contribute to national efforts on climate change mitigation and adaptation. CAE Middle East employees were joined in this effort by members of the Canadian Embassy and the Business Council of Canada.

CAE observes Earth Day 2024

To mark Earth Day, employees were encouraged to devote an hour to positive action for the planet. On Earth Day 2024, CAE invited our sites and employees worldwide to show us how they take action on single-use plastics. Actions and outcomes were shared on CAE360, our intranet. ■

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

The single most differentiating factor in a company's success? **People.** At CAE, we design and deliver leading-edge training and operational support solutions that delight our customers and help make the world a safer place. To remain a global industry leader in the highly specialized aviation and defence industries, our organization attracts and retains talented individuals dedicated to the pursuit of excellence.

Every day, our people make amazing things happen. Their work enables our customers to perform at their best and move society forward. Engaged and empowered employees drive innovation. Our people are the heart of our organization and we are committed to providing an environment in which they will thrive.

Governance

The CAE Board of Directors' Human Resources Committee (HRC) reviews compensation matters and financial rewards, including salary plans, incentive compensations 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 tasked 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 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 diversity, equity and inclusion (DE&I) initiatives 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 DE&I. The Chief People Officer (CPO) provides periodic updates to the CEO, Executive Management Committee (EMC) and HRC on various key human resources parameters, including culture, engagement, talent attraction, retention and DE&I. Regarding health and safety issues, which encompass aviation safety, the Chief Sustainability Officer (CSO) and Senior Vice President, Stakeholder Engagement delivers updates to the HRC on a quarterly basis. These parameters are reviewed monthly with business units (BUs) during business management reviews.

Additionally, the CPO conducts weekly meetings with the Human Resources (HR) leadership team, which includes vice presidents and leaders supporting various BUs and functions. These meetings serve as a pivotal platform for strategic discussions, decision-making and alignment on organizational priorities and people-related initiatives. Quarterly CEO Sessions and townhall webcasts keep employees updated on the latest developments at CAE. ■

Management approach

The Global HR team works in strategic partnership with all areas of our organization. The team plays a central leadership role in creating an open, equitable environment full of opportunities 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. These leads also effectively support CAE during acquisitions and other significant activities to ensure smooth transition and minimal business interruption. ▶



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.

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.

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.

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.

CAEheartbeat

CAEheartbeat, our global transformation initiative, focuses on five major priorities: employee experience; total rewards and recognition; long-service employees; employee development; and talent attraction and retention. Under this program, CAE released four benefit policies: flexible vacation, sabbatical leave, parental leave and maternity paid leave.

The essence of CAEheartbeat is in its name – our employees, our people, are at the heart of everything we do here at CAE. Employee feedback and needs drive this initiative. ■



Policies

- › [Code of Business Conduct](#)
- › [Human Rights Policy](#)
- › Flextime Policy¹
- › Global Remote Work Policy²
- › Anti-Discrimination, Harassment, and Retaliation Policy³
- › Global Maternity Leave Policy
- › Global Parental Leave Policy
- › Global Sabbatical Leave Policy
- › Global Flexible Vacation Policy
- › Policy Against Psychological Harassment and Violence in the Workplace¹
- › Policy on Diversity and Inclusion in the Workplace
- › Leave for Special Medical Reasons, Family Obligations and Citizenship Ceremony
- › Tuition Assistance Policy¹

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



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, deployed in Europe, the Middle East, Asia-Pacific and the Americas, aligns with CAE's growth objectives in the tech industry.

The establishment of our TA Centre of Excellence signifies a pivotal step in standardizing the governance of recruitment processes, policies and best practices across our BUs and geographic locations. Encompassing a comprehensive scope, the Centre oversees recruitment marketing, employer branding, analytics, technology, governance, processes, programs and the training and onboarding of recruiters.

The [CAE Careers website](#) allows professionals and students to create profiles and access tailored opportunities. The website uses automation and artificial intelligence (AI) to create a seamless and efficient candidate experience.

Committed to inclusive hiring

To ensure an inclusive hiring experience for all CAE candidates, we build in measures that support equitable hiring practices at all stages of the TA process.

Our TA model incorporates inclusive hiring practices such as automated ranking to eliminate bias and leverages partnerships to identify qualified candidates from underrepresented communities. Streamlined recruitment processes enhance the candidate experience while increasing time and cost savings.

Our Inclusive Hiring Guide outlines best practices for managers to follow, from considerations and criteria to apply when drafting job postings to training on unconscious bias in recruiting and interviewing. The dashboard functionality within our TA Model enables managers and recruiters to pinpoint any gaps in team diversity representation, fostering an inclusive approach to candidate sourcing. ▶

Global internship and WIL initiatives

In our commitment to nurturing talent, we consistently create global co-op and internship opportunities, including work-integrated learning (WIL) activities. Research and development projects with CAE seamlessly integrate into students' curricula.

Aligned with our global TA Model, CAE is implementing a universal approach to internships. This involves standardizing practices across locations, ensuring a consistent and equitable experience for interns in recruitment, onboarding, mentorship and evaluation. The focus on DE&I aims to provide fair opportunities for skill development, supporting our dedication to cultivating a diverse and skilled workforce.



We provide students enrolled in our CAExplore internship program numerous opportunities to build connections with their peers and senior leadership during the networking events, in-person conferences and speaker series held each term.

For additional details on our contributions to education development within the communities where we operate, please refer to the [Community and education](#) section.

Our Performance

Attracting talent: insights into performance metrics

Within this report, readers can access our [GRI indicators](#) for detailed information on talent attraction performance. Notable metrics, including the proportion of senior management recruited locally and new employee hires categorized by age group, gender and region, demonstrate our dedication to fostering diversity and inclusion within our workforce.

CAE Aviation Talent Forecast

Published in FY24, CAE Aviation Talent Forecast underscores our corporate responsibility and ongoing commitment to developing talent and furthering industry excellence.

This comprehensive analysis serves as a cornerstone in our recruitment strategy, providing industry benchmarks and insights into in-demand skills and evolving trends.

In a collaborative effort, our TA team partnered with leadership to define and elevate the value proposition for candidates to join CAE's growing global business. Our TA initiatives seamlessly integrate into major recruitment events and substantially enhance CAE's employer brand through enduring partnerships formed with educational institutions, alumni events hosted at our training centres and our sponsorship of key aviation school events.

Learn more about the strategic impact of our Aviation Talent Forecast in the [Community and education](#) section. ■

CAE ambassador drawn to our commitment to sustainability

Marion Thénault serves as a dynamic role model for young girls and women aspiring to pursue careers in engineering.

Marion, a freestyle aerial skiing Olympic bronze medalist, member of the 2026 Canadian Olympic Team and aerospace engineering student, joined CAE as an intern and ambassador in May 2023.

As an advocate for action on climate change and opportunities for women in STEM, she found CAE to be an "organic fit".



Talent development

Our holistic approach to employee training and development

As CAE’s core business, training naturally occupies a central role in the development of our employees. We offer both learner-led and instructor-led courses to accommodate a range of learning styles and preferences.

Workday Learning, our gateway platform, gives employees ownership of their learning and development goals, with access to 17,000 different resource materials in a variety of formats. Workday’s AI-powered Career Hub recommends courses and certifications that correspond to the employee’s profile (position, development skills of interest). Employees learn at their own pace.

Gigs, part of our CAEheartbeat initiative, offers employees the opportunity to work with other teams on short-term assignments to further develop their individual skills and interests.

The performance development experience at CAE

CAE+me, the cornerstone of our performance development approach, emphasizes the role of one-on-one conversations in continuous improvement. The biannual performance development experience, organized under our Talent Compass process, features mid-year and year-end discussions between employees, colleagues and leaders. This feedback/feedforward approach prompts meaningful conversations about performance, goals and personal development, fostering a dynamic and inclusive work environment.

CAEmentor me connects mentees with mentors for guided development and knowledge sharing. Coaching tools tailored to each mentor’s experience support leaders in their coaching 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 women

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 diversity and 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. ▶



Optimizing operational excellence

Aligned with our tech culture of continuous innovation, CAE’s Business Excellence Model (BEM) empowers employees to optimize their day-to-day work practices, enabling us to offer the most valuable products and services to our customers. This model extends the inventive mindset introduced by CAEImagine, which encourages employees across the company to innovate and bring new ideas to life. Further detailed in the section [R&D and innovation](#).

The BEM acts as a foundation for agility and business efficiency, providing the right principles and knowledge in continuous improvement and change management – all in a single common language and framework. The BEM leads transformation projects, guiding our teams through internal projects and providing coaching and support to leaders. Our comprehensive training programs, designed to support employee development, include courses led by CAE experts on Lean SixSigma, Design Thinking, Change Management, Agile Project Delivery and problem-solving methodology.

Our performance

Talent development: collaboration skills

In FY24, we implemented a collaboration skills training program to encourage key behaviors within CAE’s service and tech culture. We launched a follow-up survey to measure its impact and track any changes over time. Additionally, we are monitoring internal cross-regional, cross-functional collaboration to keep enhancing collaborative behaviors through continuous development initiatives.

Technical Career Track program

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

Every year, we recognize individuals from among the many program participants for their demonstrated excellence. As part of our first-ever Tech Week, 68 employees from various CAE locations around the world became our newest “Technical Stars.”

In addition to TechTrack, our Engineering Managerial, Project Management and Sales tracks help us identify and develop future leaders to drive CAE’s growth and excellence in the global market.

Leadership development program welcomes 7th cohort

The Leadership Development Program (LDP) is a biennial program that develops leaders with identified potential to move into larger, more challenging roles in the future. This year, the seventh cohort of 23 future leaders joined the program, which employs action learning to tackle real business challenges.

LDP alumni from past cohorts were invited to sponsor, mentor and coach participants. This program is a key driver for our succession strategy, with 85% of participants transitioning to new or expanded roles within a year of completion. Five alumni currently hold VP-level positions.

Third cohort takes the LEAP

CAE’s LEAP program develops future Civil Aviation training centre leaders through professional development and mentorship opportunities. The program welcomed the third cohort of eight individuals from different regions of the world, who gathered in Montreal for a week of workshops and other activities to kick off this immersive program. ■

In FY24

- **150 employees** participated in Gigs.
- **39%** of the workforce underwent continuous talent development training (includes programs for individual contributors, leaders and continuous development programs).
- **624** mentor-mentee pairs completed the CAEmentor me program since its launch in September 2019.

Talent engagement

Taking the pulse

Monthly employee engagement surveys provide timely feedback that we can respond to and act upon. Each concise survey applies a consistent set of metrics to measure employee engagement in real time. We also use these surveys to take the pulse of the organization on key culture transformation initiatives, gaining insights into employees' sense of belonging and their perceptions of CAE's culture of innovation.

The results of these surveys occupy a prime spot in our quarterly CEO Sessions and townhall presentations. Employees can also share input during the Q&A sessions that conclude these live webcasts. See [Our performance](#) for our FY22–24 employee engagement scores.

Employee recognition

We know we would not be where we are today without our employees – the spirit of CAE.

CAEchampions, our worldwide recognition program, provides a dynamic platform to celebrate employee career milestones (service awards) and express appreciation day-to-day for colleague contributions (e-Bravos). Employees share stories and messages of congratulations, building camaraderie and encouraging CAE's culture of recognition. Our CAEchampions app now features an AI component that helps employees craft inclusive award messages.

Wellness resources

CAEwellness offers multiple resources to help employees achieve work/life integration and remain healthy – both mentally and physically.

Employee input guides the focus and priorities of our wellness program. Frequent internal pulse checks through internal surveys provide essential information that guides our efforts, including a wellness score on stress and personal health to help us continually monitor employee wellness. These surveys proved to be a key means of connecting in the new normal of flexible work options.

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 also recognize and respect workers' right to free association through affiliation or non-affiliation with an association of their choice.

Collective bargaining laws differ among the countries in which we operate. We maintain constructive relationships with our unions and Work Councils globally and work cooperatively to achieve mutually beneficial relationships. Working with the support and guidance of our CPO, CAE Human Resource Business Partners support unionized employees and are responsible for managing collective bargaining agreements in their respective regions. ▶

Wellness initiatives

- **CAE Be Active Challenge:** The 30-day Challenge invites employees to participate individually or together in physical activities, including free daily online training classes, as a great opportunity to create team spirit and develop healthy lifestyle habits.
- **R U OK?** A global initiative launched during the pandemic, this program encourages open conversations on mental health, with the support of communication tools and stress management resources.
- **Mental Health Week:** During this week dedicated to prioritizing mental health, CAE employees engage in a transformative journey in which each day presents unique challenges and activities aimed at fostering well-being.

Compensation and benefits

Independent consultants advise CAE on our compensation and benefit programs, which are regularly reviewed to ensure competitiveness to attract and retain our talent.

These experts research compensation trends, monitoring regulatory developments, tracking benchmarks in compensation and consulting competitive market analyses. 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 that motivate them to create increasing and sustainable value for shareholders.

Further detailed in our [FY24 Management Proxy Circular](#).

Employee-oriented policies and benefits

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

They include:

- **Flexible vacation** – provides employees 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 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

Embedding ESG criteria in executive compensation

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

For further information, refer to our [FY24 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 investments considerations.

Employee Stock Purchase Plan

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

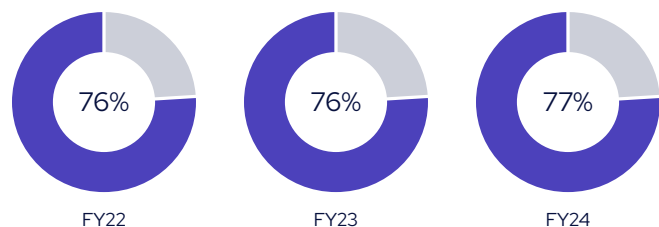
Under CAEheartbeat, we set a roadmap to extend the ESPP beyond Canada to other countries in 2023. At the beginning of FY23, our ESPP covered seven countries, representing 80% of our workforce. Today, this program is available to more than 95% of our employees globally.

Our performance

CAE employee engagement holds steady in FY24

We received a steadfast employee engagement score of 77% in FY24, a testament to CAE's positive workplace culture and an increase of 1% compared to FY23. 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



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

Global CAEwellness program takes flight

In FY23, CAE prioritized understanding the pulse of our workforce regarding wellness culture, aiming to effectively align resources with employee needs. Employees worldwide actively participated in our comprehensive wellness survey. Feedback received from our diverse workforce now acts a cornerstone for shaping our approach to employee well-being.

For a deeper dive into the topics of wellness specific to workload, we deployed nine global focus groups in FY24 to discuss how we currently manage work priorities, what a balanced workload means and how it could be achieved at CAE, now and in the future. ■



Awards and recognition

CAE USA scores two high-profile top workplace honours

CAE USA received a winning endorsement from employees on an employee engagement survey co-sponsored by Energage and USA TODAY. Recipients of the annual [Top Workplaces USA awards](#) come from various sectors, but share a common trait: they prioritize their people and the workplace experience.

CAE USA also made Newsweek’s list of [America's Greatest Workplaces for Women](#), which recognizes companies committed to creating equitable workplaces. Rankings are based on market research and analytics. Metrics include compensation, work-life balance and proactive management on diversity.

CAE among global Top 100 Defense Companies

Hats (and helmets) off to CAE Defense & Security whose pursuit of innovation and excellence earned us the recognition of being the only Canadian-based company in the Defense News [2023 Top 100 Defense Companies](#).

CAE360 receives Internal Communications Impact award

Our CAE360 employee intranet received the runner-up distinction from Unily in the category of Internal Communications Impact, a testament to the collective effort and engagement of our community. The award recognizes outstanding employee experience, effective engagement and use of innovative techniques to cut through the noise, a crucial role CAE360 has played since its launch in September 2021.

Canada’s Top 100 Employer and Top Employer for Young People in Canada

For a second consecutive year, CAE has proudly been hailed one of Canada’s Top 100 Employers. This is a wonderful reminder that our people are truly at the heart of everything we do.

We are also proud to be named a Top Employer for Young People in Canada for the fourth consecutive year, showcasing our ongoing commitment to sustainability in the workplace. This recognition highlights our efforts in fostering a supportive environment for young professionals. Through mentorship and growth initiatives, CAE is dedicated to creating a sustainable workplace that nurtures the development of emerging talent.

HIRE Vets Platinum Medallion recipient for second consecutive year

CAE USA is honoured to receive the [US Department of Labor Award](#) for the third time and second consecutive year. This initiative recognizes employers who recruit, employ and retain military veterans, and provide development programs to their benefit. The Platinum distinction is awarded to companies whose new hires include veterans (10% or more). ▶



CAE acknowledged with Job Creation Award by the Las Vegas Global Economic Alliance

CAE was recognized with the Job Creation Award by the Las Vegas Global Economic Alliance, one of eight Regional Development Authorities designated by the Nevada Governor’s Office of Economic Development.

This recognition celebrates the establishment of over 100 quality jobs since the inauguration of our CAE Las Vegas Training Centre in April 2023. As a global leader in aviation training and employer of choice, CAE’s presence makes a positive impact in Las Vegas and across communities worldwide. ■

Thought leadership

Global Sustainable Aviation Exchange
Skills shortage & workforce Sustainability

Hélène V. Gagnon, panelist

FAPA Talk

Pilot training and career opportunities at CAE

Benoit Rocheleau, speaker

[Listen to the podcast.](#)

L’Effet A

Courage

Hélène V. Gagnon, speaker

Talent management roadmap

Associated SDGs



Key result	Target year	Status
Talent attraction		
› Achieve 5% increase of internships and WIL opportunities in Canada	FY25	On track
› Achieve 10% increase of internships and WIL opportunities globally, in alignment with DE&I global objectives	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		
› Extend introduction of ESG-related KPIs in incentive plans to all non-EMC executives	FY26	On track
› Decrease gender pay gap in CAE main locations in the world, representing 80% of our total workforce	FY28	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 secure 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-associated risks.

Governance

Through our Corporate Environment, Health and Safety (EH&S) programs, CAE proactively addresses and mitigates potential risks, and maintains accountability. We also use diverse tools to monitor key performance indicators (KPIs). Our Board of Directors, EMC and leadership consistently consider these aspects in their governance roles.

EH&S at the Board level

The Board’s HRC acts in an advisory capacity and receives quarterly reports from the CSO and on items of our annual EH&S strategy and initiatives. The HRC also reviews the latest safety performance results.

EMC and BUs

The EMC’s Safety Executive Committee monitors safety protocols across our BUs, taking decisive actions for continuous improvement. The CEO, in consultation with the CSO, validates that communication processes about EH&S policies and programs are in place, ensuring compliance across our sites with all applicable national and local regulations. During quarterly operational reviews, the Civil Aviation and Defense & Security Division Presidents brief the CEO on EH&S matters. These regular updates contribute to each BU’s overall performance evaluation.

The Division Presidents conduct monthly reviews with executives in their respective BUs in which information about EH&S is cascaded and shared among all.

Management approach

Global EH&S Policy

With Occupational health and safety (OH&S) an integral part of CAE’s corporate responsibility, and in line with CAE’s vision and mission, we aim for continuous enhancement that extends beyond compliance.

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

Integrated EH&S Management System and OHS performance

CAE’s integrated EH&S Management System outlines processes to enhance our OHS performance. This integrated EH&S Management System, based on ISO 14001 and ISO 45001 principles, applies to all CAE sites across our network. Some CAE sites elect to pursue ISO certification.

See [Site certifications](#).

Our Corporate Environment, Climate Change and Health & Safety group collaborates with CAE leadership to establish standards and achieve OHS targets. This group oversees a top-tier program, providing guidelines for all CAE sites and accentuating a review process that measures and ensures effectiveness. Monthly site EH&S reports that feature executive summaries are shared with regional management to highlight KPIs and mitigation plans. ▶



EH&S leadership and culture

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

The Corporate Environment, Climate Change and Health & Safety group spearheads strategic initiatives with the support of 200+ regional EH&S points of contact distributed across all CAE locations. This vast network ensures collaboration and furthers CAE’s enterprise-wide commitment to excellence in environmental sustainability, climate change resilience and OHS practices.



CAE engages its stakeholders in various ways, including through a survey conducted in FY24. The survey’s outcomes, which targeted internal key groups, provided valuable insights into current practices and will inform future strategies.

Through training, our Let’s Talk! safety newsletter and CAE360 intranet, we educate and communicate the value of a safety culture that involves everyone. Quarterly CEO sessions enhance the importance of safety culture, delving into OHS reporting, safety indicators and ongoing initiatives.

The Leadership in Action practice encourages leaders to promote safe behaviours and engage in discussions about risks and compliance requirements. Our event notification process actively involves employees in reporting EH&S events.

This proactive approach to injury prevention strengthens CAE’s EH&S culture worldwide.

Programs and procedures

As the core of our management approach, our robust EH&S programs and procedures ensure a secure and healthy work environment.

From risk assessments to safety training, our structured approach prioritizes employee well-being and operational sustainability.

EH&S event management program

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

Incident management software

Our EH&S incident management software, accessible to all employees via laptop or mobile device, facilitates streamlined reporting and tracking. This technology enhances the efficiency of incident management and reinforces CAE’s commitment to a safe work environment. ▶

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 on-site in-depth root cause analysis led by the Corporate Environment, Climate Change and Health & Safety group.

Transparent communication and action plans

Following significant event investigation and corrective action(s) 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 measure(s) remain in place.

Self-audits and internal audits

Site leaders are responsible for ensuring compliance with all CAE OHS protocols. Site compliance with OHS programs is measured through a self-audit process that requires the site leader’s sign-off.

Annually, a sample selection of sites undergoes a comprehensive internal audit, which includes an EH&S compliance audit. The Internal Audit team and the Corporate Environment, Climate Change and Health & Safety group work together to complete the audits and ensure observance of existing EH&S programs and processes.

Site security and emergency preparedness

Site leaders must adhere to standards set by CAE’s Corporate Security Office to safeguard employees, visitors and assets including our facilities. Each facility is required to have a site-specific emergency response plan, ensuring all occupants are informed of their roles for safe and rapid execution of a response to any significant events or incidents. This plan follows CAE’s Business Continuity Management Framework, ensuring a high level of resilience in our global operations.

Our complementary approach to employee wellness

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

Training for employee empowerment

CAE’s onboarding process for all new employees integrates EH&S e-learning with a roles and responsibilities guide, providing clarity on expectations and accountability at all organizational levels. The accompanying guide clearly defines the roles and responsibilities of all employees, emphasizing the expectation to avoid tasks that expose them to risks.

Our mandatory event reporting training promotes a collective responsibility for safety and a culture of incident reporting without fear of reprisals. Once a contractor is qualified to work for CAE, they must also undertake the event reporting training.

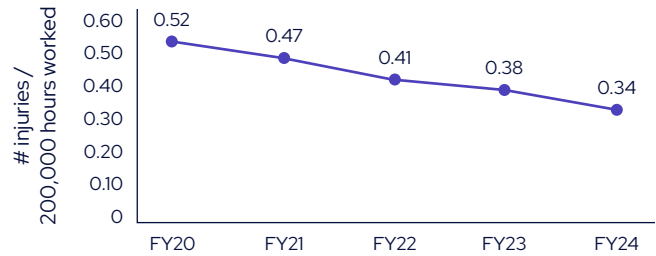
Our commitment to provide comprehensive EH&S training goes beyond onboarding and includes targeted training for employees based on their risk exposure.

 **Policies** > [Global EH&S Policy](#)

Our performance

Examining recordable cases and injury trends

In FY24, we successfully lowered our Injury Frequency Rate from 0.38 in FY23 to 0.34, exceeding our target of 0.41. Common work-related injuries (e.g. slips, trips and falls, along with ergonomics) persist, but mirror previous years.



Safety first: addressing an increase in significant events through proactive measures

The number of significant events, with 9 events in FY24, underscores the importance of prioritizing our safety culture. It serves as a clear reminder of the imperative need for sustained attention to safety measures.

Following a significant event involving electricity in FY24, we initiated a third-party assessment of our operational practices involving electricity. This assessment aims to conduct a thorough gap analysis, comparing our current practices to recognized best practices, spanning various areas including simulator design, work methods and employee training. Through this proactive approach, CAE identifies and implements improvements to enhance the safety and efficiency of our processes.

	FY241	FY22	FY23	FY24
Significant events	4	10	5	9

Strengthening safety reporting: CAE's growing observation rate

We continue to improve our reporting culture, as seen in the consistent growth of CAE's safety observation rate.

Encouraging all employees to actively report workplace risks or hazards enables us to identify trends and situations promptly, allowing for proactive measures to mitigate or eliminate these risks before accidents occur. We further detail CAE's FY24 OHS performance in our [GRI indicators](#) and [SASB Index](#).

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

Occupational health and safety roadmap

Associated SDGs



Key result	Target year	Status
> Global EH&S Policy applicable to all suppliers	FY24	■ Achieved
> Deploy safety recognition program	FY25	■ On track
> Develop and implement a structured, detailed and comprehensive internal EH&S audit program		
> Align EH&S programs and system procedures with ISO 45001 and ISO 14001 standard requirements	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 and overseeing training certifications. We also consult with representatives of the governments, public safety entities and global defence organizations that rely on our comprehensive D&S portfolio to support them in their missions.

Governance

Our Civil Aviation and D&S 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 HRC reviews CAE’s Aviation Safety Program on a quarterly basis including statistics, risks, incidents and major areas of corrective actions. The HRC also undertakes a deep dive of aviation safety for both Civil and D&S on an annual basis. The findings and reporting from the HRC are then presented to the Board.

The Board’s Governance Committee conducts quarterly reviews of key risk mitigations and associated statistics in the context of organizational risk linked to the strategy implementation of CAE’s Aviation Safety and Global EH&S Programs.

Aviation safety is also reviewed on a quarterly basis at the Safety Executive Committee (SEC) chaired by the CSO. The SEC comprises the Division presidents of the Business Units, relevant Vice Presidents from the EMC, other relevant senior leaders, the Civil Aviation Senior Director of Global Aviation Safety and Governance (GASG) and the D&S Director of Flight Safety and Standardization (FSS). The committee assesses organizational performance against various sets of governance and oversight metrics.

As part of CAE’s annual strategic planning process, the Board and CEO establish a set of objectives and key results (OKRs), measured against defined KPIs. 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.

In FY24, Civil added the role of Head of Global Aviation Safety, reporting to the Senior Director GASG, to enhance aviation safety across the BU.



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 Safety Management System (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 divisional presidents, 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

Aviation safety reports

In FY24, Civil saw a 25% decrease in the number of voluntary aviation safety reports from live-flight training centres, including aircraft maintenance and engineering, and an increase of 60% from our simulator training centres. These are reports voluntarily submitted by staff or crew members about potential safety concerns or incidents they have observed or experienced.

While the decrease in the live-flight training centres fell outside the normal tolerance, the risk levels were lower year on year. This points to a need for further safety promotion and plans are in place to ensure the continued growth and maturing of a healthy and active reporting culture. For the simulator training centres, the increase aligns with the Aviation Safety roadmap strategy. Continued improvement is expected into FY25 and beyond.

In FY24, D&S saw a decrease in the rate of voluntary reports from 55 to 46 reports per 10,000 flight hours. Of note, while our flight hours substantially increased by 40% over the same period, this surge did not correspond to an increase in reported risk. In the fourth quarter, we observed a rebound and continue to maintain our focus on voluntary reporting.

Category A and B incidents

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. Overall, the rate per 10,000 flight hours was an improvement on the previous year.

In D&S, CAE recorded a rate of 0.1 related to Category B incidents per 10,000 flight hours. Immediate corrective actions were taken to address vulnerabilities. Information contained in the security occurrence report, together with the analysis and corrective actions initiated, were compiled into an incident report. CAE live flight operations for training and awareness received this report to ensure implementation across all operational levels.

Event categories and definitions

A	B	C	D	E
<p>MAJOR One or more aircraft destroyed and one or more fatalities/missing persons</p>	<p>VERY SERIOUS One or more aircraft destroyed or sustain major damage more than \$100K or one or more serious injuries</p>	<p>SERIOUS One or more aircraft sustain damage less than \$100K, but more than \$50K and/or one or more injuries</p>	<p>MINOR One or more aircraft sustain minor damage less than \$50K and/or one or more minor injuries</p>	<p>NO DAMAGE No damage</p>

Airworthiness directives

As a critical aspect of aviation safety, airworthiness ensures that aircraft meet the required standards for safe operation. In the Civil sector, one airworthiness directive (AD) issued affected 11 CAE aircraft. In the D&S sector, one AD issued affected four CAE aircraft. All were comprehensively addressed as mandated by regulations, demonstrating CAE's due diligence in upholding airworthiness standards. ▶

Acceptable Level of Safety Performance

Acceptable Level of Safety Performance (ALoSP) represents “the minimum level of safety performance in an organization, as defined in its safety management system, expressed in terms of safety performance targets and safety performance indicators.”

These safety performance indicators help us monitor and measure implementation of the 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 82%, was calculated using a combination of 17 higher-consequence and lower-consequence safety performance indicators (SPIs).

For our Simulator Training Centre Network, the ALoSP stood at 75% and was calculated using six SPIs.

Our FY24 aviation safety performance is further detailed in our [GRI indicators](#) and [SASB Index](#).

Aviation Safety culture survey

We continued our practice of conducting an anonymous internal survey to learn more about what we do well, and what we need to improve to continue building a safety-first culture. Specific groups within Civil Aviation were asked to complete the survey, developed by the International Air Transport Association for the aviation industry. Designed to provide an impartial assessment and to support our safety management activities, the survey again proved invaluable.

Out of the 4,539 CAE employees invited to complete the survey, we received 1,405 responses (31%), marking a 7% increase from the initial 2021 survey. Overall, the responses were positive:

- 87% strongly agree “My employer always puts safety first” (+2%)
- 84% strongly agree “My employer is one of the safest in the world” (+3%)

As with our prior survey, from which we created our Lessons Learned videos, we will take action on areas for improvement and feedback received.

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 FY25 as a critical part of the Civil Aviation Safety Promotion Plan. ▶



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.

Annual aviation safety award recipients

Annually, we select individuals whose efforts in safety promotion stood out as especially exemplary. We also highlight ongoing contributions to CAE’s Safety Culture, naming an aviation safety champion of the month in each of our BUs.

1. Juan Taboada

Synthetic Flight Instructor/Synthetic Flight Examiner
(EASA and U.K.) on ATR42/72 and A320, CAE Madrid

Thanks to Juan's air safety report highlighting the risk of Controlled Flight into Terrain during single engine go around, CAE proactively increased operators’ awareness in the levels of risk throughout the correct assessment of minimum acceleration altitude.



2. Amelia David

Safety Officer, CAE Melbourne

Amelia joined the CAE Melbourne team as safety officer in September 2023 and made an immediate impact in her new role. A qualified pilot, she embodies the One CAE ethos, driving our safety culture forward with the centre seeing significant improvements in voluntary safety reporting, a greater depth of safety investigations and focused Management of Change use.

Forging a closer working relationship with CAE Maintenance, Amelia has also been key in facilitating the integration of incident reporting and investigations into maintenance defects and damage reports, with an overall reduction in risk levels at the training centre.



3. Justin Lunn (a)

Chief, Quality Control, CAE Pueblo

Kyle Bartkiewicz (b)

Instructor Pilot, CAE Pueblo

Exceptional airmanship at CAE Pueblo Training Center

CAE Pueblo Training Center employees, Justin Lunn and Kyle Bartkiewicz, demonstrated exceptional airmanship when faced with catastrophic engine failure in two separate events. Their professionalism reflects the superior standards of [CAE’s U.S. Air Force \(USAF\) Initial Flight Training program](#), which provides initial flight training for all USAF aviation candidates and coalition partners. ▶



CAE Mesa pilot awarded Arizona Flight Instructor of the Year

CAE Mesa Instructor Pilot Bailey Gift was recognized as Flight Instructor of the Year by the Arizona Aviation Safety Advisory Group at their annual Safety Awards. Directly aligning with our mission of making the world a safer place, CAE Mesa is actively involved with the organization.

Bailey also has the distinction of being in the graduating class of the [Southwest Airlines Destination 225° Cadet Pathway Training Program](#), which the airlines launched with CAE in 2019. Upon graduation from the flight academy, she joined CAE to instruct other Southwest Airlines cadets. Now as a flight lead, Bailey oversees the Destination 225° Training Program at CAE, where she continues to make an impact on the next generation of pilots.

Teaming and partnerships

Boeing and CAE collaborate on pilot training to enhance aviation safety

We took our long-standing partnership with Boeing to the next level, officially becoming a Boeing Authorized Training Provider. CAE will be the first to offer Boeing's Competency-Based Training and Assessment Curriculum.

Boeing and CAE will work together to enhance training efficacy and aviation safety through collaborative data sharing by leveraging complementary digital capabilities and providing greater accessibility and training affordability to airline customers.

CAE and Sun Air Jets launch new pilot development program

Launched in July, our innovative Pilot Development Program (PDP) with Sun Air Jets enhances safety and addresses the increased need for business aviation pilots. The PDP allows young pilots to gain flight hours and experience by operating flights as second-in-command on aircraft that do not require more than one pilot. The program also allows them to fly with more seasoned colleagues and benefit from their knowledge, resulting in safer operations.

CAE and APG partner to elevate aircraft performance and runway analysis training

Our strategic partnership with Aircraft Performance Group (APG), a leading provider of flight operations software and applications, will harness APG's expertise in aircraft performance and runway analysis instruction to enhance CAE's business aviation training.

The comprehensive training in runway analysis and obstacle clearance provides essential safety skills training and aligns with Federal Aviation Administration (FAA) notice N 8900.664.

FAA invites CAE to host training event

The FAA invited our team at CAE Phoenix Aviation Academy to host a training event with the use of a portable reduced oxygen training enclosure (PROTE). The PROTE device teaches general aviation pilots about hazards, symptoms and effects of higher altitude flight operations. While being monitored, event attendees learned to recognize their individual hypoxia symptoms and take corrective actions to re-oxygenate themselves.

Memorandum of Cooperation with the European Union Aviation Safety Agency

In a safety-critical industry like aviation, regulatory bodies act as a compass, steering us toward collective success in a transforming world. CAE is pleased to renew our Memorandum of Cooperation (MoC) with the European Union Aviation Safety Agency (EASA) on innovation in our industry. The two main purposes of the EASA-CAE MoC are first, to identify at an early stage the key risk and opportunity areas in innovation domains and solutions where both CAE and EASA can contribute. Second, early involvement in industry innovations enables EASA to adapt its plans, organization, staff competence and rules in support of innovation.

We look forward to continuing to work together to respond to the new pilot training challenges. ■



Thought leadership

EASA Conversation Aviation Magazine
[Introduction to Human Performance](#) (pages 17-19)
 Jo Watkinson, author

EASA Conversation Aviation Magazine
[Enhancing Pilot Training Through CBTA Data-Driven Insights into Learning](#) (pages 34-37)
 Richard James Kennedy,
 Andrew Lim and David Owens, authors

Asia-Pacific Summit for Aviation Safety
Rethinking Safety, Strengthening Aviation: Safety through Learning from All Operations for Evolving Training Needs
 Andrew Lim, speaker

Bombardier Safety Standdown
[Lawn Chair Debrief](#)
 Lou Németh, speaker

Aviation safety roadmap

Associated SDGs



Key result	Target year	Status
Joint		
<ul style="list-style-type: none"> Review and update aviation standards and procedures to improve operations and compliance with internal and external requirements Cultivate a Just Safety culture 	Annual	■ Achieved
Civil Aviation		
<ul style="list-style-type: none"> Increase the ALoSP in the non-ab initio training centre network from 75% to 78% 	Annual	■ Not achieved
<ul style="list-style-type: none"> Increase the ALoSP in the ab initio training centre network from 69% to 78% 	FY24	■ Achieved at 82%
<ul style="list-style-type: none"> Maintain zero major (Category A) incidents/accidents for entire network 		■ Achieved
D&S		
<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	■ Achieved
<ul style="list-style-type: none"> Establish a D&S-specific audit and review program 	FY28	■ On track

Diversity, equity and inclusion

Why it matters

We are dedicated to the sustainment of an open, diverse, equitable and inclusive workplace. Our commitment drives us to create an environment where everyone's unique contributions fuel CAE's success and where each individual can be their authentic self.

We believe in starting with a strong foundation, which is why diversity, equity and inclusion (DE&I) are embedded in our values and integrated into CAE's corporate governance, business policies, systems and processes.

DE&I takes on many forms and for CAE, our worldwide employee base continues to drive our priorities and actions as a reflection of our unique culture and workplace.

Governance

CAE's Executive Diversity Council (EDC), composed of EMC members, including our CEO, provides oversight and governance of DE&I initiatives across the organization. DE&I progress is reviewed twice a year with the EDC.

Additionally, an annual session is held with all Employee Resource Group (ERG) leaders to foster collaboration, share insights, and strategize collectively on further enhancing diversity, equity and inclusion within our organization. The Board's Human Resources Committee also oversees DE&I topics, ensuring a comprehensive approach to these important issues.

Our Global Head of DE&I and Indigenous Relations oversees CAE's DE&I Office, a representative core team tasked with ensuring DE&I considerations are embedded in major operational streams.



Management approach

Our management approach emphasizes enhancing talent practices, ensuring fair and inclusive recruitment, development and retention strategies. Internally and externally, we prioritize inclusive business practices, our objective to promote diversity and equity throughout all aspects of our organization's operations and interactions, including the development and marketing of CAE products and services.

Policy framework

Our Global Policy on Diversity, Equity and Inclusion in the Workplace provides the underlying framework which applies to CAE employees, customers, vendors, suppliers and subcontractors, and any additional individual or entity that has a business relationship with us.

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

Inclusive talent management practices

The Global HR Talent Acquisition and Talent Management teams are at the forefront of integrating DE&I considerations into HR policies and systems to attract, retain and develop a diverse workforce. This approach not only minimizes risks but also fosters a workplace culture where all individuals thrive, promoting innovation and inclusion in talent attraction and development.

Further detailed in [Talent management](#).

Ensuring alignment across our supplier network

We uphold DE&I across our global supply chain through our Supplier Code of Conduct and in our supplier assessment and monitoring process as a critical aspect of CAE's diligence toward the protection of human rights and ensuring we engage with partners aligned with our inclusivity goals. We actively support businesses owned by underrepresented groups, opening opportunities to new suppliers to help them grow with us.

Further detailed in [Responsible supply chain management](#).

Strategic commitments

As a signatory of [UNGC](#) and [UN Women's Empowerment Principles](#), CAE adheres to [ISO 30415](#), the [UN Universal Declaration of Human Rights](#), the [United Nations Declaration on the Rights of Indigenous Peoples \(UNDRIP\)](#) and continues to seek opportunities to enhance our DE&I programs and external partnerships.

CAE continues to align our DE&I efforts with the [UN Sustainable Development Goals \(SDGs\)](#) identified in 2019 by our Sustainability Committee as those in which we could have the most impact: **SDG Goal3** – Good health and well-being; **Goal4** – Quality Education; **Goal5** – Gender Equality; and **Goal8** – Decent work and economic growth. ▶



Training resources and knowledge repository

CAE offers employees multiple learning opportunities that cover a variety of DE&I topics, such as fundamentals, unconscious bias, microaggressions and anti-harassment. Resources range from webinars, panels and Community of Practice events to a LinkedIn Learning knowledge repository. We embed inclusive leadership in our development training and regularly introduce materials on important issues such as our Neurodiversity in the Workplace guide. See related information in [Our Performance](#).

Employee Resource Groups

Our Employee Resource Groups (ERGs) make a significant contribution in promoting DE&I globally at CAE. Employee-initiated and governed, each ERG is supported by an executive sponsor. They individually host or co-sponsor activities that align with their member-approved charter and mission statement. Dedicated ERGs (as illustrated by their seven banners) address the interests and well-being of women, diverse ethnic groups, the LGBTQ2+ community, persons with disabilities/neurodivergent, veterans and Indigenous Peoples.

Global self-identification campaign

CAE, in adherence to the Government of Canada Federal Contractors Program and the U.S. Department of Labor requirements, conducts annual self-identification campaigns as part of our hiring process to ensure workplace equity.

Our global voluntary self-identification campaign contributes to a better view of representation in our workforce while tracking our progress on hiring, retaining and promoting individuals from underrepresented groups. The campaign helps us set effective DE&I goals, measure our progress and put in place programs, policies, accommodations and benefits that correspond to respondents' feedback.

The content of CAE's campaign questionnaire is periodically reviewed and updated, in compliance with the Office of Federal Contract Compliance Programs and Equal Employment Opportunity Commission policies.

As per CAE's Global Data Privacy Policy, information obtained is kept confidential and only used in accordance with applicable laws, executive orders and regulations. See our [Data Privacy](#) section.

Advancing pay equity

We believe all employees, regardless of gender, deserve to be compensated fairly for their skills and contributions. As a cornerstone of our DE&I management approach, initiatives and proactive practices focus on transparency, regular pay equity assessments and targeted interventions. ▶

Employee Resource Groups



EMBTRACE 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

Our meticulous process to ensure pay equity starts with a comprehensive review that compares CAE salaries against industry benchmarks. HR leaders then conduct cross-organizational and intradepartmental/intrateam comparisons, considering factors such as position and experience to gauge fairness in compensation. We further demonstrate our DE&I commitment through annual participation in Bloomberg’s Gender Equality Index (GEI), which enables us to continuously refine our practices in alignment with our values.

For more details on the gender pay gap objectives associated with our multi-year sustainability roadmap, see [Talent management roadmap](#). ■

 <p>Policies</p>	<ul style="list-style-type: none"> > Policy on Diversity and Inclusion in the Workplace > Human Rights Policy > Board and Executive Officer Diversity, Equity and Inclusion Policy > Anti-Discrimination, Harassment and Retaliation Policy¹ 	<ul style="list-style-type: none"> > Policy Against Psychological Harassment and Violence in the Workplace² > Code of Business Conduct > Supplier Code of Conduct > Indigenous Relations Policy
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Our performance

Global self-identification campaign

In April 2023, we conducted our first global campaign, issuing a voluntary, confidential self-identification questionnaire.

The survey presented CAE with a universal view of our diverse employee base, positioning us to better understand who our employees are and how we can become a more diverse, equitable and inclusive company.

Taking the pulse on Diversity, Equity, Inclusion and Belonging at CAE

Our monthly employee pulse survey now includes questions specific to Diversity, Equity, Inclusion and Belonging (DEIB).

Employees rate, on a scale of 1 to 10, their impressions on matters such as actions taken by CAE and leadership, recognition and fair treatment, and respect for individual differences – all of which contribute to measuring our employees’ sense of inclusion and belonging. ▶



In FY24

> **8/10 average** DEIB pulse survey score

¹ Civil Aviation BU only
² Applicable in Canada

INDIGENOUS PEOPLES

CAE's commitment to reconciliation

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



FIRE ERG, Indigenous Awareness Training

In FY23, we welcomed a new ERG: First Peoples Inclusion & REconciliation (FIRE). Inspired by the Truth and Reconciliation Commission of Canada, the UN Declaration on the Rights of Indigenous Peoples and adhering to CAE's DE&I strategy, the FIRE ERG connects CAE to Indigenous communities globally. With their participation, we organized Indigenous Awareness Training for CAE leaders in Canada.

PAR Certification Program

CAE then took significant actions over FY24, starting with our commitment to the Progressive Aboriginal Relations (PAR) Certification Program. The PAR Program is a rigorous, independent and third-party certification program for corporate performance in Indigenous relations.

As a PAR Committed company, CAE will undergo a process of external verification. Our intention is to work collaboratively with the Canadian Council for Indigenous Business and Indigenous stakeholders toward the long term goal of achieving Gold certification.

Indigenous Advisory Board, expanded DE&I leadership role

We launched the CAE Indigenous Advisory Board to guide our reconciliation efforts, also expanding the role of our DE&I lead Pascale Alpha to Global Head of Diversity, Equity and Inclusion Strategy and Indigenous Relations.

Indigenous Relations Policy

We developed an Indigenous Relations Policy that provides a consistent approach to the company's relationships with Indigenous Peoples. The Policy which will be published in FY25 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, the accompanying Leadership Statement on Indigenous Relations identifies as the four-pillar focus of our work:

- Leadership
- Community Relationships and Skills Development
- People (*Employment*)
- Economic empowerment (*Business Development*)

We are excited and humbled to embark on this journey toward continued learning, reconciliation and growth.

Marc Parent, C.M.

President and CEO

Embracing neurodiversity in the workplace

We released a neurodiversity guide to serve as a resource for leaders and employees on how to be inclusive of differently abled colleagues. The new guide, produced in collaboration with our Mozaic ERG, serves as a first step in learning how to welcome, onboard and engage CAE employees who are neurodivergent.

It also features tips for attracting and retaining neurodivergent team members.

Recognizing microaggressions

We offered three live virtual sessions to our employees globally to help equip them with the necessary tools and insights to identify and address microaggressions effectively. The new training emphasizes the importance of achieving an outcome of change and supporting those who are targets of microaggressions.

Women in technology initiative

CAE’s new Global Women in Technology (WIT) Program aims to solidify our position as market leaders in advocating for women’s inclusion, development and advancement.

The WIT initiative organizes its strategy under three streams:

- Attract the best women candidates through extended market visibility.
- Develop technical and human competencies through various learning programs tailored to our diverse community.
- Promote the achievements, milestones and potential of our workforce. ▶

CAE Women in Flight



[CAE Women in Flight](#) encourages young girls and women to dream big and have no limits.

Under the program, launched in 2018, CAE works with different aviation partners to offer a variety of commercial pilot training program scholarships and unparalleled industry networking opportunities.

As Woman in Flight Ambassadors, participants become role models for future generations of women pilots. With [CAE’s Aviation Talent Forecast](#) shining a spotlight on the ever-increasing demand for pilots, the time is now for more women to come on board.

[Meet our ambassadors](#) and learn what inspired them to reach for the sky.

On International Women’s Day, Air Canada and CAE announced the winners of the 2024 Captain Judy Cameron Scholarship, awarding scholarships to eight women from across Canada who are pursuing careers as commercial pilots or aircraft maintenance engineers. Of the eight, four became our newest CAE Women in Flight Ambassadors, joining their fellow winners previous scholarship awardees.

In this [video](#), CAE’s new scholarship recipients share what this scholarship means to them as they pursue their training to become commercial pilots. The Captain Judy Cameron Scholarship, now entering 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](#).

Partnerships and initiatives

CAE is proud to contribute to DE&I on a local, regional and global scale through multiple partnerships and initiatives, including:

BlackNorth Initiative

As a signatory organization and pledge partner, CAE supports the Initiative’s commitment to the removal of anti-Black systemic barriers negatively affecting the lives of Black Canadians.

50-30 Challenge

CAE is a signatory of this Challenge – an initiative between the Government of Canada, Canadian businesses and diversity organizations – to achieve 50% representation of women and/or non-binary individuals, together with 30% representation from other equity-deserving groups on boards and/or in senior management roles.

UN Global Compact Network of Canada

The subject of a case study on [Implementing a Holistic DEI Framework](#), CAE also participated in UNGC Network Canada Blueprint for Gender Equality Leadership in the Canadian Private Sector.

Women in Governance

A recipient of parity certification, CAE values our longtime membership in an organization that supports women in their career advancement, leadership development and ambitions to serve on Boards.

Canadian Council for Indigenous Business

CAE works collaboratively with the Council on PAR certification and supports the organization’s mission to promote, strengthen and enhance a prosperous Indigenous economy.

Canadian Centre for Diversity and Inclusion

CAE’s partnership gives employees access to research, webinars and tools on different DE&I topics. Our DE&I Office conducts monthly touchpoints to share progress and gain feedback, also collaborating on employee awareness sessions.

Ready, Willing and Able

As a partner of this Canada-wide government program, CAE receives support on how to recruit, hire and retain neurodivergent employees.

Giant Steps Resource and Training Centre

CAE approached the Centre as a resource for training and consultation services to support neurodivergent employees and raise awareness among our leaders and teams in creating a more autism-inclusive workplace.

Women in Aviation International

CAE shares the organization’s mission of increasing the number of women involved in all aspects of aviation and aerospace. Our contributions include annual conference sponsorship, scholarship awards and participation in Girls in Aviation Day, which encourages young women to pursue a career in aviation.

Women in Defence and Security (WiDS)

As an organization and event sponsor, CAE contributes to the advancement of women in careers related to Canadian defence and security.

CAE provides scholarships and WIL opportunities to promote diversity in our industries. Further details in [Community and education](#) section. ■

In FY24

› More than **120 DE&I related events** were organized and celebrated globally at CAE

DE&I events and activities

We salute our ERGs and employees for their constant dedication and creativity in championing DE&I through multiple events and activities every year. Below, we spotlight a representative selection of the many events and activities that occurred over FY24.

Pride Month

CAE employees and our Prism ERG supported LGBTQ2+ inclusion in pride parades in Dallas (Texas), St. Petersburg (Florida), Cologne (Germany), Montreal (Canada) and also celebrated Pride in New Zealand. Additionally, CAE Brazil, Columbia and Mexico celebrated Pride engaging both employees and customers in the festivities.



Black History Month

CAE CPO and EmBRACE Co-Executive Sponsor Bob Lockett participated in an insightful panel discussion that also introduced EmBRACE’s Culture Bytes, a video series celebrating diversity among our colleagues and the relationship between culture and technology.

A conversation with CAE women veterans

CAE’s Professional Women’s Network and Insigna ERGs hosted a conversation with CAE women veterans who shared their experiences serving their countries, the challenges of veterans as they transition beyond the military and the impact on their civilian careers at CAE.

National Day for Truth and Reconciliation

FIRE ERG members participated in the National Day for Truth and Reconciliation march in Montreal.

International Women in Cybersecurity Day

LIFT, our ERG for women in technology/aviation, hosted an event dedicated to women working in cybersecurity that featured keynote presentations and a panel of top security experts from different industries. ▶

Mozaic podcast series

Introduced by Mozaic and moderated by CAE CSO and Executive Sponsor Hélène V. Gagnon, each episode of the new series helps raise awareness of challenges and realities faced by those with special needs and their families. The initial two episodes of the series are available at these links:

- [Beyond Limitations: Sharing the Positive Aspects of Disability–A CAE Parent’s Perspective](#)
- [The Workplace and ADHD: CAE Employees’ Perspectives.](#)

International Women’s Day

In line with the 2024 theme, we asked employees to nominate individuals at CAE who actively promote inclusion and belonging in the workplace. We featured 15 standout employees in a dynamic video.

[Watch the video.](#)



Holi celebrations at CAE Gondia

Awards and recognition



– Forbes World’s Top Companies for Women
(2nd consecutive year)



– Government of Canada Employment Equity Achievement Award
(first-time award for CAE)



– Women in Governance
Gold Parity Certification
(2nd consecutive year)



– HIRE Vets Platinum Medallion
(2nd consecutive year)



– Canada's Top 100 Employers
(2nd consecutive year)



– Top Employer for Young People
(4th consecutive year)



– Montreal Top Employer
(5th consecutive year)



– Canada's Best Diversity Employers
(first-time award for CAE)



– America's Greatest Workplaces for Women – Newsweek: CAE USA
(first-time award for CAE)



– Top Workplaces – USA Today: CAE USA
(2nd recognition)

UNGC case study on DE&I at CAE

We have been chosen by the United Nations Global Compact for a case study featuring our DEI practices, as presented in our [FY23 Gender Equality report](#). [Implementing a Holistic DEI Framework](#) explores CAE’s gender-responsive policies, practices and initiatives. The in-depth study highlights our design process, key success factors, resulting impact and key takeaways.

CASE STUDY: CAE



Implementing a Holistic DEI Governance Framework

Women in Defence and Security Emerging Leaders

Mary Raposo, D&S FWSAR Program Leader, and Darlene Callaghan, D&S Training Solutions Manager, have been recognized as 2023 WiDS Emerging Leaders. Recipients can be at any stage of their career; they are individuals doing great things, inspiring change, blazing trails and setting an example for other young women to follow.

Thought leadership

CAE participated in more than 40 external events over FY24 to address topics related to DE&I. Below is a representative selection of those engagements.

Global IP Management Forum Roundtable

Steps You Can Take Today to Promote Diversity and Inclusion in Your IP Team and Strategy

Rony Karam, co-moderator

Randstad Canada

Making gender equity and diversity a top priority

Pascale Alpha, panelist

McGill University School of Continuing Studies

DEI and Corporate and Organizational Communications

Pascale Alpha, guest speaker

HR Canadian Reporter

How to use technology to reach DEI goals

Pascale Alpha, interviewee

Dress for Success Montreal

CAE on Leadership and Civic Responsibility: Five interactive workshops

CAE, event lead with multiple speakers

U.S. Consulate General Montreal

DEI Roundtable with U.S. Ambassador to Canada David L. Cohen

Pascale Alpha, participant

HRD HR Tech Summit Canada

Leveraging Technology to Achieve Your DEI Goals

Pascale Alpha, panelist

International Performance Management Institute / Talent Acquisition and Employee Experience Institute

Communicating Your Commitment: Diversity, Equity & Inclusion Through Recruitment

Pascale Alpha, panelist

Benefits Canada

Leadership in DEI

Pascale Alpha, panelist

ESG Summit Canada

Practical strategies for achieving DEI goals

Pascale Alpha, panelist

UN Global Compact Network Canada

Connecting the SDGs: International Human Rights Day, EDI & Responsible Business Conduct in Canada

Pascale Alpha, speaker

Canadian Coalition to Empower Women

IDEAS4GenderEquality event sponsored by Women and Gender Equality Canada

Pascale Alpha, moderator

Air Line Pilots Associations Int'l Canada

Women Pilots: Diversity, Equity and Inclusion on the Flight Deck and Beyond

Pascale Alpha, forum panelist

BDC

DE&I panel with TechnoChic and CEIM

Pascale Alpha, panelist

Slalom Boston's Women Leadership Network

Breaking the Glass Ceiling

Abha Dogra, panelist

Regional International Magazine

Diversity and Inclusion: Navigating the future of aviation's workforce

Waterloo Institute for Sustainable Aeronautics

Social Sustainability: Workforce Sustainability in Aviation

Houssam Alaouie, panelist

The Globe and Mail

CAE people fly high with work-life integration

Les Affaires

Pointer les inégalités pour mieux les corriger

Pascale Alpha, interviewee

International Civil Aviation Organization

Inclusive Heights: Women Inspiring Aviation

Hélène V. Gagnon, panelist

John Molson Women in Leadership

Leadership in Action Conference

Nisa Raza, mentor



Diversity, equity and inclusion roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> > Leadership* diversity increase (gender, members of visible minorities and Indigenous Peoples) by 2% from 31% to 33% 	FY24	<ul style="list-style-type: none"> ■ Achieved at 32.7%
<ul style="list-style-type: none"> > New hire diversity baseline established and objective set for subsequent years 		<ul style="list-style-type: none"> ■ Achieved <i>First global self-identification survey</i>
<ul style="list-style-type: none"> > Increase representation of gender diversity amongst high-potential employees by 3% from 29% to 32% 		<ul style="list-style-type: none"> ■ Postponed (FY28)
<ul style="list-style-type: none"> > Increase diversity among the Board and executive officers to at least 33% and 40% respectively, on CAE's Board of Directors 	FY25	<ul style="list-style-type: none"> ■ Achieved <i>36% for executive officers</i> <i>46% for Directors on CAE's Board</i>
<ul style="list-style-type: none"> > New: Continue increasing leadership* diversity (gender, members of visible minorities and Indigenous Peoples) and maintain a minimum range of 32% to 34% 		<ul style="list-style-type: none"> ■ On track

* Directors and above

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 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 modern slavery, and require the same diligence from our suppliers and business partners. We strive to mitigate the risk of infringing fundamental human rights across our operations and supply chain.

Governance

CAE's CSO is responsible for monitoring human rights issues and developing guidelines and initiatives to support related policy, program implementation and risk mitigation. The ESG strategy and reporting team actively monitors and addresses these issues, developing guidelines and initiatives to support the CSO in this mandate.

The Global Procurement and Supply Management group maintains a Supplier Code of Conduct and related policies and processes for suppliers, contractors and subcontractors throughout the supply chain. The Global Ethics and Compliance Office oversees the implementation of compliance processes enterprise-wide.

The CSO and the Global Ethics and Compliance Office each provide periodic reports to CAE's Board of Directors, through its Governance Committee. Under the guidance of our CPO, Human Resource Business Partners manage collective bargaining agreements for unionized employees in their respective regions.

Management approach

CAE's management approach centers 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 the respect for human rights. Suppliers and contractors are governed by CAE's Supplier Code of Conduct, which outlines our requirements regarding human rights matters.

Our Human Rights Policy and Policy on Diversity and Inclusion in the Workplace 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. ▶



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.



Reporting mechanisms

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 submitted via CAE Ethics Helpline, which offer confidential 24-7 service. 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.

Supplier risk management framework

CAE’s Sustainable Supply Chain Framework manages the assessment of our current suppliers’ risk exposure and guides the selection of future partners that represent the least amount of risk. To enhance our mitigation of indirect potential human rights risks, CAE introduced a third-party risk assessment and monitoring tool. Our current implementation covers a subset of suppliers and we are progressively extending these measures to our entire supply base.

Learn more in our [Responsible supply chain management](#) section.

Business Partners Risk Management

CAE’s new Business Partners Risk Management Policy strengthens CAE’s existing policies and procedures governing our relationships with third party business partners. The policy and its associated standard operating procedures integrate enhanced due diligence methods across our operations, including with respect to human rights issues.

Learn more in our [Business ethics](#). ■



Policies

- > [Human Rights Policy](#)
- > [Code of Business Conduct](#)
- > [Supplier Code of Conduct](#)
- > [Business Partners Risk Management \(internal\)](#)
- > [Policy on Diversity and Inclusion in the Workplace \(internal\)](#)
- > [Global EH&S Policy](#)

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 FY24

- › Out of approximately **13,000** CAE employees, **2,298** are unionized.
- › The workforce is covered by **54** different collective agreements, each with its own set of terms and varying expiration dates.

Mitigating human rights risks

In FY24, CAE was notified of a supplier’s human rights violation via its supplier risk assessment and monitoring tool. This triggered CAE to take immediate actions to mitigate the risk associated with this supplier. Actions taken by CAE included communicating with the supplier to validate the facts, requesting that a remediation plan be put in place by the supplier and intensifying our risk monitoring of this supplier.

Consolidated Modern Slavery and Human Trafficking statement

CAE and certain of its subsidiaries have published a modern slavery statement pursuant to Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act and the UK Modern Slavery Act 2015.

This statement is available [here](#).

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, DE&I considerations, the prohibition of use of child or forced labour and human trafficking.

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

Advancing responsible and just business practices

CAE proudly joined the [UNGC’s Business & Human Rights Accelerator](#), reinforcing our commitment to ethical practices and responsible business conduct. This initiative provides a dynamic platform for collaboration, connecting us with resources and networks to accelerate our efforts in integrating human rights considerations into our operations. Through active participation with a network of peers, we aim to ensure compliance and seek practical solutions to address human rights challenges within our industry and supply chains.





Associated SDGs



Human rights roadmap

Key result	Target year	Status
<ul style="list-style-type: none"> Continuously review and refresh policies associated to human rights management with regards to evolving legislation in all jurisdictions in which we operate 	Annual	■ On track
<ul style="list-style-type: none"> Roll out of ESG risk management framework inclusive of human rights criteria 	FY24	■ Achieved
<ul style="list-style-type: none"> Bottom-up risk assessment of CAE's direct and indirect exposure to human rights-related issues Delivery of customized training for most exposed teams 		■ Postponed (FY25)
<ul style="list-style-type: none"> Establish 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	■ On track

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. By building sustainability into our innovation process, we create products and services that address environmental challenges, optimize resource usage and promote long term viability.

Working as One CAE, we quickly adapt to evolving trends and develop advanced training and critical operations solutions that benefit our customers and help our industry make a positive impact on the environment.

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



Governance

Strategy, investment and engagement

CAE’s Research and Development Investment Policy, which governs our R&D investments, is overseen by four EMC members:

- Executive Vice President, Finance and Chief Financial Officer
- General Counsel, Chief Compliance Officer and Corporate Secretary
- Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement
- Chief Technology and Product Officer (CTPO)

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

Our R&D strategy and investments undergo annual review in a 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.

Donations, academic partnerships and research project sponsorships are reviewed as per CAE policies, with a breakdown by sector, region and spend.

Intellectual property

Essential to safeguarding our competitive intelligence and R&D investment, our intellectual property (IP) governance framework ensures the effective management, protection and strategic utilization of our intellectual assets.

CAE’s Intellectual Property Policy outlines the responsibilities of our primary internal stakeholders. The General Counsel oversees legal aspects and ensures legal compliance. Our IP department aligns strategy with CAE’s broader business objectives. The IP Committee addresses critical matters under the leadership of the Global Technology and Product (GTP), Legal and Compliance teams.

Our CTPO plays a pivotal role in strategic alignment and the protection of our technological advancements and products. This role leads R&D strategy development, accelerating digital transformation and promoting technological collaboration across departments.

Management approach

Reinforcing our inclusive innovative culture

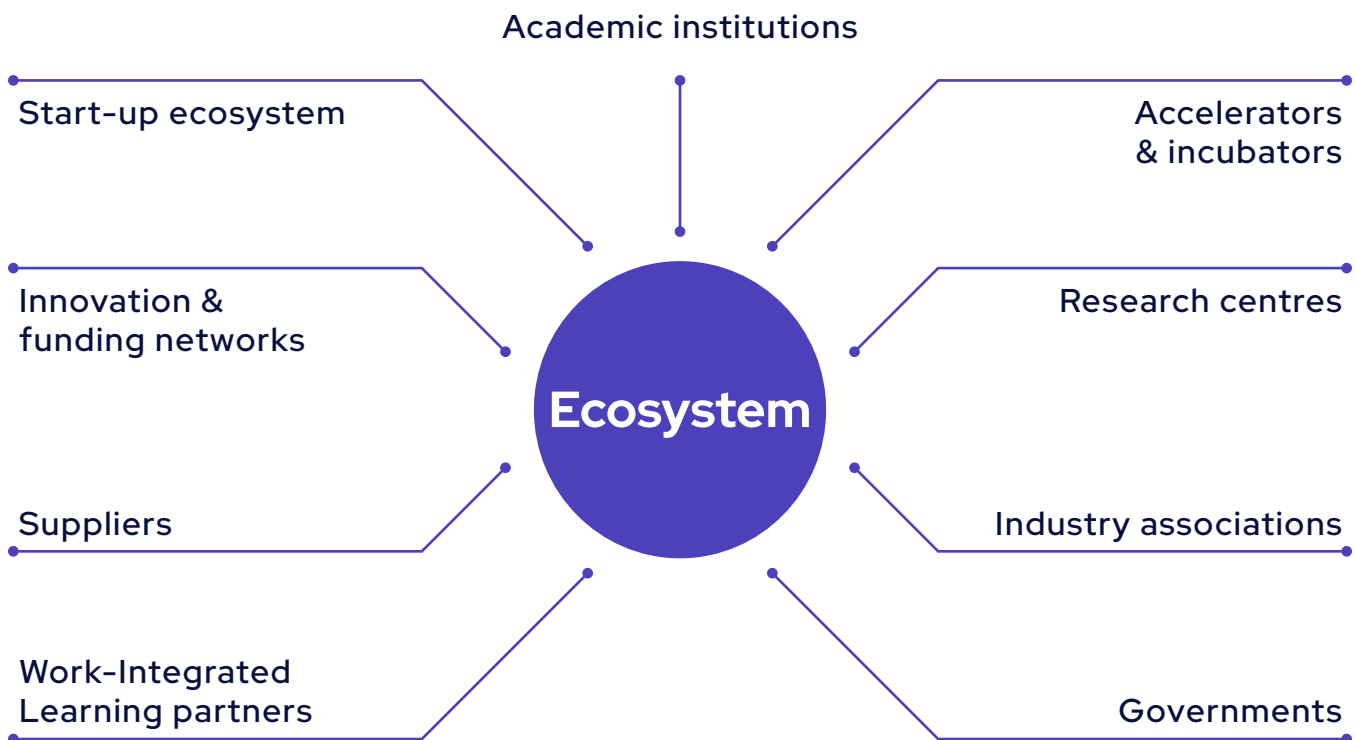
From guiding principles to process and evaluation, our Innovation Framework assists teams in the development of an agile model that stresses relationship building between all actors of the evolutive innovation and collaboration ecosystem. CAEImagine, our innovation program for employees, empowers everyone at CAE to innovate and add value – both internally for our people and externally for our customers. With a focus on learning, this global program creates opportunities for collaboration across business units, functions and geographies.

In a process led by key leadership, employees can participate in challenges via an innovation management platform and track the progress of their ideas from submission to implementation. They receive support to develop their concept from a network of ambassadors, coaches and mentors.

Since its 2022 launch, the program has achieved significant success, with 12 innovation challenges, generating 1,000 ideas and implementing 6 innovations. Learning and coaching sessions, led by 25 innovation members and coaches, resulted in the development of an innovation playbook.

As true to its nature, our innovation program continues to evolve, as detailed in [Our performance](#). ▶

Our innovation and collaboration ecosystem



Incubation zone

Our innovation incubator aims to prepare CAE for the next major opportunities in emerging categories and markets shaping the future. This culture of creativity and experimentation will improve collaboration among our teams to deliver value to our customers and partners.

Our vision is to be a leading and impactful innovation lab recognized worldwide in training and critical operations markets, known for our ability to quickly develop and scale new products, services and solutions that address the upcoming challenges facing these industries.

CAE imagine innovation challenges will be one of two main sources for generating ideas in a process that goes through incubation funnelling gates to the product roadmap. The Incubation Operational Steering Committee, launched in FY24, will evaluate new ideas for feasibility and product roadmap fit.

Strategic harmonization of product development

Through close collaboration with our Civil Aviation and D&S business units and by centralizing the efforts of team members worldwide, our GTP and R&D teams access the expertise of a rapidly growing opportunity set.

This harmonization introduces a technical commonality across our diverse portfolio and digitized processes to focus on customer touchpoints. By facilitating seamless collaboration between our teams and business units, we aim to accelerate growth and enhance overall profitability.

Safeguarding, enhancing and expanding CAE's IP assets

CAE prioritizes the protection of IP 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.

Given the continued deployment of AI and immersive synthetic technologies in our products and services, we also closely monitor software innovations, while recognizing the legal, ethical and reputational importance of respecting third-party IP.

Strategic R&D alliances

CAE partners with over 50 academic institutions, research centres, laboratories and consortia worldwide to foster collaboration and create value through R&D initiatives aligned with our strategic goals. We further collaborate 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.

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.

Participants in our Engineering Technical Track develop a broader range of skills to ensure CAE remains innovative, competitive and a leader in our market. Employees 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.

Initiatives led by GTP include team training and development activities and companywide events that promote knowledge sharing and invite all employees to learn about innovation at CAE.

Our IP department delivers annual and event-related training sessions on IP basics and the core principles of the CAE Intellectual Property Policy to ensure employees understand their role and responsibilities in regard to IP management. ■



Policies

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

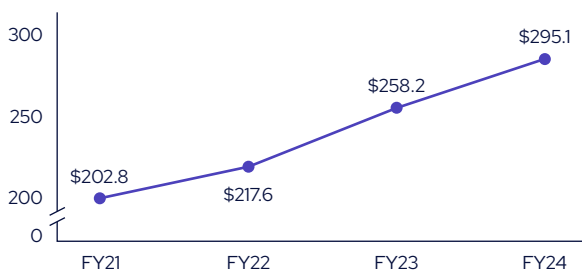
Our performance

CAE R&D spend since FY21

Our continued investment in R&D highlights CAE’s dedication to technological advancement and pushing the boundaries of excellence. Over the past four fiscal years, our gross R&D expenses maintained a sustained growth trajectory.

We are honoured to be recognized among Canada’s Top 100 R&D investors in 2023, with CAE securing the #18 spot across all industries and an impressive #2 in aerospace R&D spending.

Gross R&D expenses—Amounts in millions



R&D investments in low carbon products and services

A pivotal component of our corporate sustainability strategy involves substantial R&D investments in pioneering low carbon products and services.

In FY24

> **60%** of our R&D spend on sustainability-related economic activities

Securing intellectual property

Through FY24, CAE submitted 46 patent and industrial design applications and was awarded 52 registrations. As of April 1, 2024, our IP portfolio comprises 268 patent and industrial design registrations and 87 pending applications.

Product development lifecycle leads to value creation

Our GTP team’s introduction of a streamlined, standardized end-to-end budgeting and selection process in FY24 represents a significant step toward enhancing value creation. This action aligns with the team’s strategic management of the product development lifecycle and demonstrates our efficiency and focus.

The new process enhances efficiency and strategic alignment of priorities across three core activities: setting business objectives; determining intake of global technology investments and budget prioritization, and prioritizing the roadmap and solutioning.

This approach to product development emphasizes value creation for the organization, with a selection process that follows systematic monitoring governance to ensure progress is tracked effectively in terms of project management. ▶





CAE's Patent Wall



CAE inventors help shape our future. Annually, we recognize our inventors via a Patent Wall ceremony, with these three highlights related to our FY24 submissions.

Patented and patent-pending inventions

AI-driven multi-agent simulation system and method

Advances in AI are enabling breakthrough advancements in immersive flight training for both instructor-led and self-paced training. The invention proposes an AI conversation agents' capability during immersive training scenarios. Pilots interact with simulated agents and receive instant feedback on their performance as they develop their skills.

Federated machine learning in adaptive flight training

CAE's invention, to be featured in a technical publication, generates AI models for adaptive and personalized training of civilian and military pilots. The invention takes advantage of similarities between pilot training in the two sectors to optimize the use of available data, while respecting the data confidentiality requirements of military organizations.

Method and system for mottling compensation

This invention is integral to the CAE e-Series MR display, which received the [2024 Edison Award in Flight Training & Safety](#). Our optimized paint coating process produces exceptional display contrast to reduce screen mottling. High-fidelity natural visual immersion reduces pilot eye strain and fatigue.

[Watch the video.](#)

Honouring the IP contributions of women at CAE

The theme for World Intellectual Property Day 2023, Women in IP: Accelerating Innovation and Creativity, recognized the contributions of women inventors, creators and entrepreneurs worldwide.

On this day, and every day, CAE proudly celebrates the women in our organization whose accomplishments drive our company forward. We also recognize the managers and mentors who play a key role in fostering an inclusive culture of innovation, providing the resources and guidance to empower both women and men through their patent journey.

Notable academic collaborative R&D projects in FY24

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

Aircraft batteries for aerospace applications in cold temperatures (iNorth)

iNorth involves CAE, the Université de Sherbrooke, École de Technologie supérieure and an industrial partner. The project focuses on the development of a next-generation battery with packaging that demonstrates both improved performance at cold temperatures and improved aging characteristics over aircraft lifetime.

Progress made in FY24 includes two major developments: a comprehensive aging model to analyze the remaining useful life of the batteries within a typical training electric aircraft and battery thermal management strategies to maintain an optimal battery temperature range throughout operational phases.

Multi-scale aerodynamic modelling of helicopters/ unmanned aerial vehicles in urban environments (HAMAC)

Our HAMAC collaborators include Polytechnique Montréal, Concordia University and an industrial partner. The project primarily aims to couple existing multiscale models of aircraft aerodynamic simulations (e.g. rotors, city models and atmospheric conditions) to improve flight simulators.

Progress made in FY24 includes the development of two new AI models, one calculates large-scale city flow and the other predicts subsonic static aerodynamic coefficients.

DEpendable & EXplainable Learning (DEEL)

The DEEL project, led by the Consortium for Research and Innovation in Aerospace in Quebec (CRIAQ), aims to improve the applications of machine learning to respond to the complex problems of the aerospace industry. CAE contributes to DEEL as an industrial collaborator.

The initial project phase focused on explainability in pilot performance assessment. The second phase, launched in FY24, aims to measure pilot state monitoring and incapacitation.

The primary goals focus on hypovigilance, using machine learning to allow more refined inference in detection of cognitive and emotional changes.

Automatic control of a helicopter simulation model

In this collaboration with Université Laval, CAE provides flight test data, simulation results trajectories and engineering expertise.

The project seeks to improve the efficiency of the simulator qualification. The objective is to develop, validate and use an improved model predictive controller to reduce the engineering time necessary to prove that the simulator performance is representative of the real aircraft.

Refer to the [Community and education](#) section for detailed insights into CAE's rich history of partnerships with academic institutions worldwide.

Inaugural CAE Tech Week

Thousands of employees participated in the first edition of CAE Tech Week, a celebration of innovation and annual tech culture evolution gathering for continuous learning and knowledge sharing.

The three-day event featured presentations from CAE leaders and our tech industry partners on topics such as AI, OpenAI, quantum computing and Advanced Air Mobility (AAM). ▶



CAE imagine innovation challenges

In FY24, we initiated 9 major innovation challenges, which generated over 750 ideas, with the involvement of more than 4,500 employees, leading to 10 proofs of concept and 2 projects.

Among those, the Carbon Reduction Innovation Challenge invited employees to propose ways to lower utility consumption at our Civil Aviation training centres, with the chosen proposals to be integrated into our decarbonization roadmap.

The International Hackathon motivated employees to present ideas on how to improve customer engagement, speed up innovation and problem-solving, enhance cross-functional team collaboration and build community. We received more than 90 submissions, with 7 teams making it to the finals and 2 teams winning the hackathon.

These challenges offer incredible opportunities for employees to grow professionally and showcase their creativity and expertise. Innovation, as one of CAE's core values, supports the strong teamwork that fosters our One CAE culture.

75th infinite ideas challenge opens up infinite possibilities

In celebration of CAE's 75th anniversary, we launched our biggest contest yet – a challenge to encourage employees worldwide to share ideas addressing corporate objectives. The prize? A trip to one of our three global tech hubs.

Organized into three cohorts, our 18 winners embarked on journeys that would not only teach them a lot about each other as individuals, colleagues and innovators, but would involve an event-filled week packed with technology-focused visits and activities.

Hosted by our sites in Poland, Singapore and Dallas, the three groups toured CAE facilities, heard from local teams about innovation at CAE, participated in workshops and strategic thinking exercises, and learned from the CAE partners whose companies they visited.

Strategic innovation initiatives–FY24 update

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 in pilot training, in collaboration with subject matter experts, post-secondary institutions, research centres and STEM institutions across Canada.

Advances in FY24 include 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 immersive and AI solutions.

Project FIDELIA

Launched at the end of FY24, FIDELIA aims to develop monitoring tools to detect and characterize biases in industrial systems introduced during operations, with the objective to increase the reliability and robustness of these systems.

CAE is carrying out the project with two industrial partners from the telecommunications and AI sectors respectively and with a public research centre under the umbrella of Confiance, ia, Quebec's industrial consortium for the development of sustainable, ethical, secure and responsible AI.

Project Éco-Envol

In FY24 CAE initiated Éco-Envol in collaboration with two other Quebec aerospace companies to:

- Support sustainable approaches for complying with EU REACH, a European regulation that governs the use of chemicals in products.
- Assist SMEs in developing their environmental compliance to promote sustainable aviation more effectively.
- Work with CAE suppliers to monitor and substitute substances of very high concern in our products, thereby enhancing the performance and sustainability of our aerospace ecosystem. ▶

Partnerships with Incubators and other entities

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:

- Member of [Centech](#), a world-class innovation centre
- Member and major partner of [LE CAMP](#), an incubator-accelerator dedicated to tech businesses growth and mentorship
- Founding member of the CRIAQ, the Institute for Data Valorization (*IVADO*), Initiative for Sustainable Aviation Technology (*INSAT*), [Waterloo Institute for Sustainable Aeronautics](#) (*WISA*)

CAE and NRC Canada partner on research to advance sustainable aviation technology

CAE announced a long term and wide collaboration with the [National Research Council](#) (NRC) Canada to support research advancement in technology across AAM, clean tech, climate change and more.

Our goal is to expand CAE's R&D to take a leadership role in the further development of air transport industries. As the first joint effort, we are working closely with the NRC on electric aircraft technology.

CAE Prodigy IG achieves another first with Level D qualification

CAE added another monumental first to our remarkable history of innovation. With the innovative CAE Prodigy Image Generator (IG), we became the first aviation simulation and training organization to integrate a gaming engine into a full-flight simulator visual system and achieve level D qualification.

CAE Prodigy leverages gaming technology through Epic Games' Unreal Engine, marrying highly realistic 3D visuals with high-end full-motion simulation to deliver more realistic pilot training in a virtual environment. This qualification signifies the first step of our roadmap toward a strong and innovative product to delight our Civil and D&S customers alike. ■

[▶ Watch the video.](#) [📄 Read the Press Release.](#)



CAE foundational partner and contributor to INSAT net zero emissions aviation initiative

CAE is proud to be a contributing leader to the [Initiative for Sustainable Aviation Technology \(INSAT\)](#), an exemplary initiative under the Government of Canada, in partnership with the aerospace industry, to accelerate progress toward net zero emissions aviation.

Through a \$350 million investment into a national sustainable aviation innovation network, INSAT will support the aerospace sector's growth by encouraging the development of disruptive sustainable aviation technologies, strengthening aerospace supply chains and building the workforce of the future.

As a key player in the industry, CAE is thrilled to have an active role in advancing the net zero objectives of this sector and its supply chain. By embracing a collaborative approach and building next-generation innovations, we are committed to taking concrete actions for meeting the demands of a sustainable future.

Thought leadership

Defence iQ Military Flight Training Conference

The future of military flight training: emerging technology, methods and approaches

Jim Chittenden, Karen Bremner, Regan Patrick, Scott Greenough and Philip Senna, speakers

LESI International Annual Conference

On the Path to Net Zero: Air Mobility Compelled to Innovate

Marc St-Hilaire, keynote speaker

International Paris Air Show

Government of Canada Initiative for Sustainable Aviation Technology

Houssam Alaouie, panelist

ALL IN

How AI is Transforming the Aerospace Industry

David Legendre, speaker and Philippe Couillard panelist

Canada – Vietnam AI Summit

Rethinking the Boundaries of Innovation

Jean-François Delisle, panelist

LESI YMC Pan-European Conference

New Paradigm for Licensing in Europe: IP Risk Management in Turbulent Times

Rony Karam, keynote speaker

Global IP Management Forum

Roundtable: Steps You Can Take Today to Promote Diversity and Inclusion in Your IP Team and Strategy

Rony Karam, co-moderator

WISA Summit

Social Sustainability Panel: Human Factors and Training Technologies

Kevin Graham, panelist

World Summit AI Americas

Applied AI for a sustainable and safe future in Aviation and Defence

Abha Dogra, speaker

CAE-Emirates white paper

Aviation Training: Simulation for Experiential Training (SET) Evolution and Expansion

Vanguard Radio

Modern (Military) Training – Innovation Versus Experience

Philippe Perey, interviewee

Open Geospatial Consortium

Interoperable Simulation and Gaming Domain Working Group

Michael Lokuta, co-chair

CAV Canada

Connectivity and Autonomy Innovation in Defence

Jeff Tasseron, panelist

Awards and recognition

Abha Dogra recognized as Top 65 Most Influential Women in AI

Our CTPO Abha Dogra was recognized by InspiredMinds, a global tech and science strategy group, for her outstanding efforts in the equitable and safe application of AI within the aerospace and defence sectors.

Jennifer McArdle among NTSA's Top 10 Under 40

Jennifer McArdle, Senior Director, Futures, was named to the 2023 National Training & Simulation Association (NTSA) Top 10 Under 40. The inaugural award recognizes the next generation of leaders in the Interservice/Industry Training, Simulation and Education Conference (I/ITSEC) community. A Top Under 40 is an exceptional leader, contributor and volunteer to modelling, simulation and training. As the 2023 co-chair of the I/ITSEC Education Subcommittee, Jennifer led a team of volunteers who reviewed abstract and paper submissions to determine the final papers presented during the conference.

iNorth project receives CRIAQ-RSRI Innovation Award

iNORTH received the CRIAQ-RSRI Innovation Award in the category of Industrial Research Clusters for research on improving heat management in lithium-ion batteries. The project was also nominated in the Clean Technology category. As an iNORTH partner, we are proud to share this honour with our group collaborators and partners.



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: #0056b3; margin-right: 5px;"></div> On track </div>
<ul style="list-style-type: none"> > Set up Global Academic Collaboration Committee to oversee global research collaborations 	FY24	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #90ee90; margin-right: 5px;"></div> Achieved </div>

Community and education

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 young people, particularly those from underrepresented groups, to pursue careers in aviation as pilots or STEM professionals.

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 CSO, who oversees the strategy behind CAE’s contributions.

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

Under the CSO’s leadership, the Sponsorships and Donations Committee convenes quarterly to review transactions completed over the prior period and evaluate incoming requests. As an ethical standard best practice, awards above \$2,000 (either in monetary or in-kind form) to clients, OEMs, suppliers, partners or other stakeholders require pre-approval from the CSO.

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.

In FY24, we introduced the expanded role of Global Head of Collaboration and Government Programs, and Academic Partnerships to unify our engagement with internal and external stakeholders across our education, community and R&D ecosystem. (See related sections: [DE&I](#) and [R&D and innovation](#).) Reporting to the CSO, this position oversees CAE’s portfolio of collaborations and focuses on ensuring we fulfill objectives related to program benefits, sustainability objectives and DE&I commitments.

To further our commitment to supporting education and community engagement with Indigenous stakeholders, we introduced the Indigenous Scholarships and Community Involvement Subcommittee. This Subcommittee will oversee the allocation of scholarships and community investments, ensuring they align with our strategic focus on STEM and aviation-related education while empowering Indigenous communities and preparing 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 CSO, together with localized fiscal 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 non-profit organizations and academia, enhances learning experiences for both students and CAE employees. Additionally, we encourage our employees to engage with non-profit boards and committees, furthering CAE’s contribution to education and work-integrated learning (WIL).

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 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 from selected institutions who are pursuing programs in computer science and avionics studies.

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 and internships, and more, the program invests in future leaders while promoting a more diverse workforce.

Driving innovation and collaboration

CAE works with multiple non-profit organizations that develop opportunities for the workforce of tomorrow, including the [Business + Higher Education Roundtable](#) (BHER), the [Canadian Mobility and Aerospace Institute](#) (CMAI) and the [Centre for Advanced Research and Training in Aviation, Mobility and Space](#). ■



Policies

- › [Charitable Donations and Sponsorships Policy](#)
- › [Educational Assistance Policy \(Canada\)](#)
- › [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.

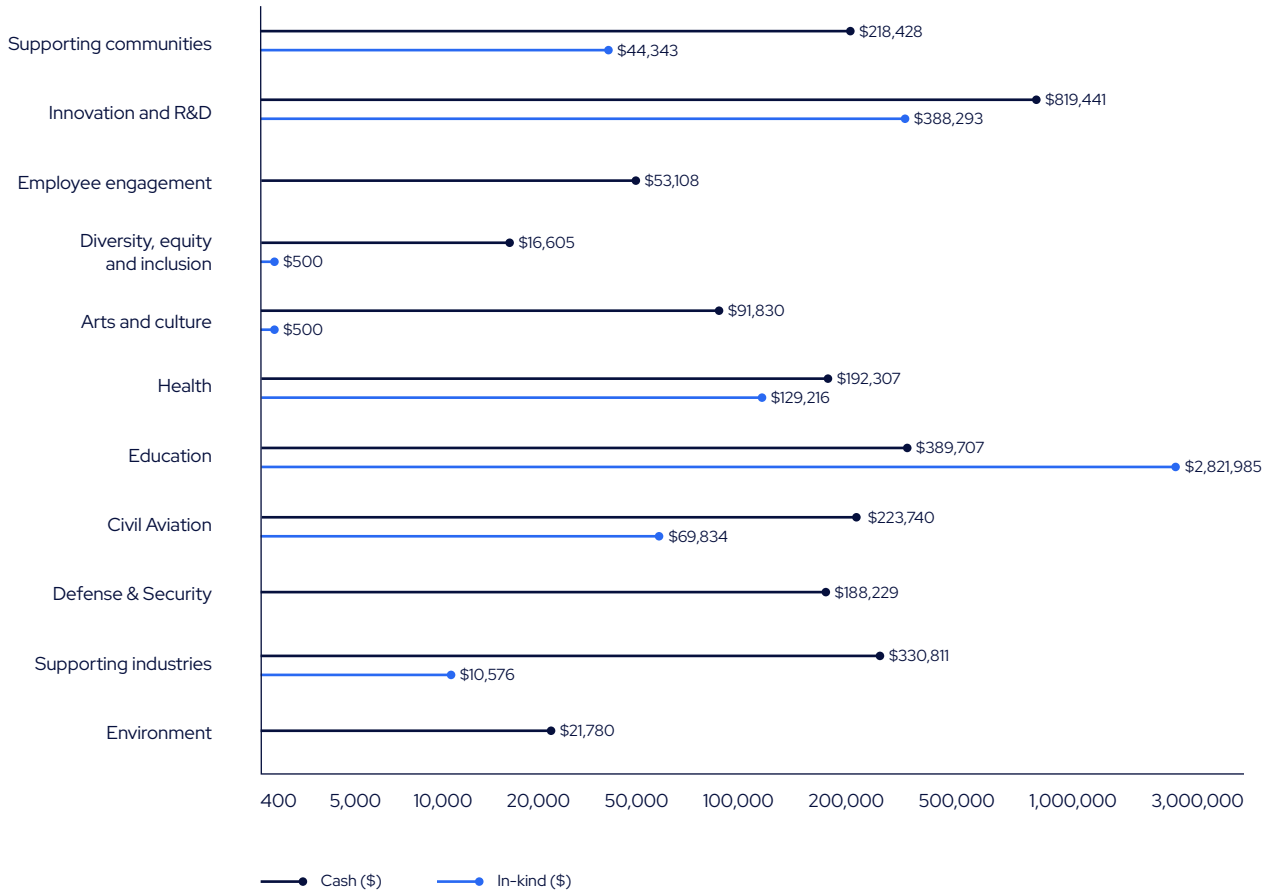
¹ Situated in all regions of Quebec, CEGEPs represent the first stage of higher education.

Our performance

Community

Donations and sponsorships

In FY24, CAE donated \$6,011,233 (cash and in-kind donations) to local and regional initiatives worldwide. We maintained our support and commitment to United Way-Centraide, 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 FY24

Cash donations	\$2,545,986
In-kind donations	\$3,465,247
Total donations	\$6,011,233

In FY24

- ▶ CAE and our employees supported close to **300 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 3,700 hours to making a positive impact in the communities where we live, work and serve.



CAE United Way-Centraide campaign again achieves record-breaking success

Our annual CAE United Way-Centraide campaign set a new fundraising record, our organization also recognized with an 11th Corporate Commitment award. Together with a corporate donation, CAE employees, our union and partners successfully raised an impressive \$1.3 million.

Together with other partners in Canada, CAE's campaign has contributed more than \$17.1 million to United Way-Centraide since 2000 and we are grateful for everyone's generosity and commitment. ▶



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 proud to support [The Honor Foundation](#), a career transition program for members of U.S. Special Operations Forces to help them navigate this new chapter of their lives. We recognize the valuable skillset these exceptional individuals bring, harmonizing military prowess with the dynamic demands of the corporate world, and blending the familiar with the new and challenging.

[Watch the video.](#)

CAE also sponsors [True Patriot Love](#), Canada's foundation for the military community, working to support military members, veterans, and their families at every stage of their journey.

We participate as a board member and co-chaired the 2023 fundraising committee for the organization's signature fundraising event. The 15th Annual National Tribute Dinner surpassed \$1.5 million in contributions.

In the U.S., CAE is a corporate sponsor of [SOF Transition Assistance Resource](#) (STAR), an organization dedicated to the successful transition of Special Operations Forces veterans into civilian corporate life.

Humanitarian and disaster relief

Wildfire relief operations

CAE stood in solidarity with colleagues in Alberta, Nova Scotia and Quebec, who were impacted by Canadian wildfires. We donated \$30,127 to the Canadian Red Cross to help those most affected, with a sizable boost generated by our offer to match all employee donations.

To support relief efforts for the catastrophic wildfires in Hawaii, where we have teams supporting our Hawaiian Airlines customer, CAE helped raised funds throughout its network by matching employee donations to the Red Cross.

CAE's satellite-driven SkyDeploy fire detection technology keeps pilots connected to the [Société de protection des forêts contre le feu](#) (SOPFEU) while they work to identify and map new fires. In addition to the technology, CAE offers real-time support to help new pilots use the equipment and keep it in good working order. SOPFEU, a Quebec non-profit, provides forest fire protection and ensures forest sustainability.

From Cadets to CAE

Through our From Cadets to CAE initiative, we share stories of CAE employees whose time in the Air Cadets inspired and influenced their careers in aviation. Fittingly, our [From Cadets to CAE video series](#) begins with alumnus [CEO Marc Parent](#), who shared how [Cadets Canada](#) played a crucial role in shaping his remarkable career. Our campaign also encourages individuals to support local cadet programs by volunteering for mentorship programs.

[Watch the video.](#)

CAE hosts Air Cadets and Scouts

We welcomed 180 Air Cadets from six local squadrons to our Montreal headquarters. The [Air Cadet League of Canada](#) promotes and encourages youth aged 12–18 to develop an interest in aviation, leadership and citizenship. Cadets took turns taking flight in our full-flight simulators and Integrated Procedures Trainers, which provided immersive and memorable experiences. Marc Parent made a surprise appearance, sharing his inspiring personal journey from cadet to CAE CEO. ▶



CAE Binghamton in New York demonstrated our virtual reality technology to the Southern Tier Cadet Squadron of the local Civil Air Patrol, the official auxiliary of the USAF. CAE engineers enabled cadets to interface with and learn about CAE's technology.

CAE Morristown volunteers to help raise aviation awareness with area [Boy Scouts of America](#) troops. In FY24, they hosted Scouts from four states for a day filled with aviation exploration. At ground school stations, Scouts learned the four forces acting on an airplane. More than 50 discovery flights were provided, offering the Scouts hands-on experiences, including preflight inspections on aircraft in a hangar.

CAE employees honoured with Meritorious Service Decoration

Lorne Carruth, D&S Maritime Training Systems Specialist, and Jérôme Lacroix-leclair, D&S Flight Operations Western Europe Manager were presented with the Meritorious Service Decoration (Military Division). This honour recognizes their exceptional deeds and remarkable dedication to Canada. CAE is privileged to have veterans and reservists amongst our employees around the world and we are proud to celebrate their achievements.

Education

Scholarships and awards

Either directly or through endowments, CAE contributed in excess of \$680,000 in scholarships globally over the past three years to support perseverance and academic excellence in disciplines most relevant to CAE. We allotted \$450,000 for the talent and leadership development of women and underrepresented groups in aviation and STEM careers.

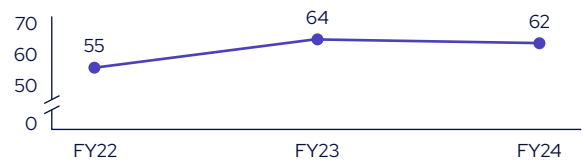
In FY24, CAE offered close to 700 cooperative mandates and internships to students worldwide. These opportunities included mandates under various programs, including CAExplore, CAETech, CAE Immersion and CILA. Apprenticeships and three-week internships for students in manufacturing and unionized roles were also available.

CAE supports the Women in Engineering & IT program

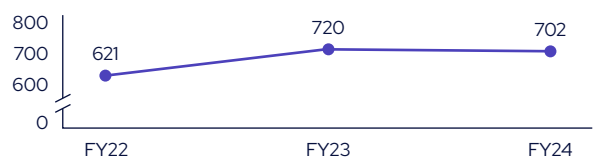
As an industry partner supporting Carleton University's Women in Engineering & IT program, CAE further contributed to the program in FY24 by taking part in mentorship events with students, facilitating an industrial visit and arranging senior leadership presentations.

Our partnership and sustained support have played a key role in the program's remarkable success and the realization of shared DE&I commitments, significantly contributing to preparing young women to confidently enter the workforce.

Number of scholarships and awards delivered since FY22



Number of internships awarded since FY22 (mandates)



LabGO students streamline hiring with innovative app

In FY24, three members of the LabGO team from Collège de Bois-de-Boulogne (BdB) developed an app designed to optimize our hiring process. The exercise provided an opportunity for the LabGO participants to enhance their skills in needs analysis, solution modelling, development, deployment and testing within an agile framework. For their exceptional work, the team received three scholarships totalling \$4,000 from CAE, the Fondation du Collège and BdB's Continuing Education program. ▶

LIFT students present findings on urban vertiports feasibility study

Upon completion of their urban vertiport project, students from the Cégep André Laurendeau LIFT initiative presented their findings to CAE representatives, academic personnel and classmates. The feasibility study provided LIFT students an opportunity to apply their skills to understand the complexities of advanced air mobility.

CAE Women in Engineering Scholarship

Our annual CAE Australia Pty Ltd Women in Engineering Scholarship supports women pursuing careers in engineering and technology by providing financial assistance and industry mentorship opportunities.

In FY24, CAE, in partnership with the University of New South Wales (UNSW), awarded one student a full-time undergraduate scholarship for studies in Commerce/Computer science. The scholarship, which is funded by CAE, enables the recipient to excel in academic pursuits at UNSW for up to four years.

CAE and OBAP promote diversity in aviation

During the 2023 NBAA Business Aviation Convention & Exhibition, CAE and the Organization of Black Aerospace Professionals (OBAP) announced that CAE will be offering a Business Aviation Scholarship to an OBAP member.

This initiative is part of our broader strategy to expand our scholarship programs to attract people from underrepresented communities, demonstrating that a future in aviation is not only exciting but also accessible.

The full scholarship gives a qualified pilot the opportunity to pursue their Challenger 350 type-rating training at one of CAE's business aviation training centres.

Advancing STEM education, inspiring future aviation professionals

CAE's support of Aviation Connection, a registered charity dedicated to fostering STEM and extracurricular activities in Quebec, strengthens the organization's capacity to promote educational initiatives and inspire young minds to explore the world of aviation.

[Watch the video.](#)

Through our partnership with Polytechnique Montréal's Folie technique summer camp program, CAE offered employees a promotional discount applicable to all registrations of participants ages 7-17. This program offers young kids and teens the opportunity to explore the world of STEM through creative, interactive and accessible activities.



Students from Aviation Connection explore the world of aviation

As part of a State University of New York education outreach program, CAE Binghamton introduced 11 groups of 8th grade students to our immersive technology. Also active in supporting a local elementary robotics club, CAE Binghamton educates members about practical uses of STEM disciplines.

For the FIRST Robotics Québec competition, CAE's team of volunteers led demonstrations to ignite the enthusiasm for science and technology in young minds. The weekend event brought together students ages 14-18 from 39 schools in Quebec.

CAE contributed as co-chair and member of the Organizing Committee for Vins de Prestige, the flagship fundraising event for the Fondation du cégep Édouard-Montpetit et de l'École nationale d'aérotechnique. The event raised a record-breaking \$390,000, which will go toward promoting education and career opportunities for the next generation of aerospace professionals. ▶



(L-R) Samantha Whitfield (OBAP); Benoit Rocheleau (CAE); Haifa Baptiste (OBAP); Héléne V. Gagnon (CAE)

John Molson School of Business MBA International Case Competition

In FY24, CAE confirmed our three-year sponsorship of the John Molson School of Business [MBA International Case Competition](#). CAE's involvement in this partnership, which is open to top business schools worldwide, entails subject matter experts serving as judges, offering industrial use cases and potentially hosting student presentations to CAE leaders. The FY24 edition brought together over 400 student participants and stakeholders, including eight representatives from CAE.

CAE sponsors University of Florida IPPD

For the fifth consecutive year, CAE USA is sponsoring a project team from Integrated Product and Process Design (IPPD), an experiential education program at the University of Florida within the Herbert Wertheim College of Engineering. IPPD computer science majors met with CAE's R&D team for their preliminary design review to help craft an app that simulates a real-life environment using an AI-enabled defence coach.

Training and education for aviation personnel

As the aviation industry evolves, the demand for skilled personnel grows exponentially. CAE recognizes this imperative and pioneers efforts to elevate training and education for aviation professionals.

At the forefront of these endeavours, [CAE's Aviation Talent Forecast](#)'s insightful study anticipates industry needs and trends. Our comprehensive study guides strategic decisions to bridge skill gaps and promote talent development.

Our thought leadership collaboration involves key stakeholders, including the Royal Canadian Air Force and Aerospace Industries Association of Canada (AIAC). Additionally, as a member of [WISA](#), CAE drives conversations on sustainability within the aviation industry. By examining workforce dynamics and environmental considerations, we contribute to a more resilient, future-ready aviation sector. ■

Thought leadership

BHER Roundtable panel

Net zero: Preparing the workforce of tomorrow

[Hélène V. Gagnon](#), panelist

CILA cross-company event

[Hélène V. Gagnon](#), keynote speaker

AIAC

Bridging the gap: Discussions and consultations on Canada's future skills in Aerospace & Defence

[Arnaud Van de Voorde](#), panelist

CMAI

Competency Forum: CAE's skills needs

[Patricia Gilbert](#), speaker

Aerospace, Defence and Security Expo

Super Session: Advanced Air Mobility and future technologies

[Philippe Couillard](#), speaker

Ontario Tech University

Women for STEM Summit: Fixing the "Broken-Rung"

[Annie Passalacqua](#), panelist

The Vertical Flight Society

Event at CAE

[Marilyn Pearson](#), keynote speaker / [Philippe Couillard](#) and [Carlo Ferlisi](#), presenters





Associated SDGs



Community and education roadmap

Key result	Target year	Status
<ul style="list-style-type: none"> > Offer high-quality value-added WIL opportunities > Support through financial and/or in-kind contributions on average 10 student-led societies, technical clubs, hackathons or case competitions > Promote education and career in aviation and STEM, including to underrepresented groups such as women, Indigenous Peoples, BIPOC, people with disabilities, LGBTQ2+, through targeted programs and partnerships > Collaborate on average with 50 post-secondary institutions and research centres globally 	Annual	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #0070C0; margin-right: 5px;"></div> On track </div>
<ul style="list-style-type: none"> > Enhance CAEvolunteering program 	FY25	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #0070C0; margin-right: 5px;"></div> On track </div>
<ul style="list-style-type: none"> > Assess options to increase target donations and sponsorships to rising causes outside North America > Create 100 new scholarship positions¹ 	FY26 ¹	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #0070C0; margin-right: 5px;"></div> On track </div>
<ul style="list-style-type: none"> > Assess Employee Charitable Fund concept feasibility 	FY27	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #0070C0; margin-right: 5px;"></div> On track </div>

¹ Target year advanced from FY28 to FY26.

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, ESG, risk management, international markets, capital markets, M&A, manufacturing and supply chain.

See Directors' skills and experiences matrix in our [FY24 Management Proxy Circular](#).

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 Board 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 and recommends to the Board nominees for election at the Annual General Meeting of Shareholders.

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

Committees

Three Board Committees oversee various aspects of CAE's corporate governance. These Committees consist entirely of independent Directors. Each Committee member is appointed by the Board after thorough review of the requirements for membership on each Committee.

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 General Counsel, Chief 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 [CAE's FY24 Management Proxy Circular](#).

Sustainability governance

CAE's governance framework includes, oversight and strategic direction regarding ESG initiatives, with quarterly updates, roadmap approvals and strategic guidance provided by the Board Committees. This governance ensures ESG 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.

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 management and the Governance Committee keep all Directors aware of major developments in corporate governance, important trends and new legal or regulatory requirements.

The Board also receives presentations from senior management on CAE’s performance and issues relevant to the business of CAE, the industry and the competitive environment in which we operate.

Throughout the year, Directors attend multiple education sessions that cover updates and 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 Officer Diversity, Equity and Inclusion Policy](#)
- › [Detailed view of CAE’s corporate governance structure](#)
- › [Conflicts of Interest Policy \(internal\)](#)

Our performance

CAE welcomes newest Board member

Following her election as an independent Director during our 2023 Annual General Meeting of Shareholders, Sophie Brochu joined CAE’s Board in August. Ms. Brochu brings significant experience to the Board in areas such as strategic leadership and management, government relations, human resources, executive compensation and sustainability. She most recently served as president and CEO of Hydro-Québec, one of the world’s largest hydropower utilities.

Board profile

92%

independent Directors



38%

women



8%

member of visible minority group



62

average age



4.17

average tenure years¹



8%

member of the LGBTQ2+ community



¹ For non-executive Directors.

In FY24

- > CAE’s Board was trained on **carbon and climate change** matters by an external provider.
- > **100%** of CAE’s Board received internal training facilitated by management, covering **cybersecurity, aviation safety** and **technology**.



Corporate governance roadmap

Associated SDGs



Key result	Target year	Status
> At least 30% of Directors are women	Annual	■ Achieved
> At least 40% of Directors and 33% of Executive Officers belong to diversity groups <i>(including women, persons with disabilities, Aboriginal/Indigenous Peoples, members of visible minorities and the LGBTQ2+ community)</i>	FY25	■ Achieved <i>46% of Directors belong to diversity groups 36% of Executive officers belong to diversity group</i>

Business ethics

Why it matters

Ethics build trust, goodwill and value, and are central to CAE's success. Our success rises 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 in 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 Environmental, Social and Governance (ESG) 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 ESG programs, including a summary of trends, market signals, policy exceptions and alleged violations of the Code. When allegations involve potential financial misconduct, books and record keeping, fraud or similar financial impropriety, the Audit Committee is also informed.

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



The Global Ethics and Compliance Office oversees the implementation of the Ethics and Anti-Corruption program, which includes the development, implementation and monitoring of policies and initiatives related to business ethics, anti-corruption and conflicts of interest.

The Export Control Department oversees the Export Control program which includes 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 and regular contacts with each other and with internal stakeholders to ensure coordination of cross-functional initiatives and to communicate updates in external developments (emerging best practices, changes in accountability, legislation or regulations).

Management approach

CAE Code of Business Conduct

Our Code and compliance policies act as the compass for how we do business and for the values we put into practice every day. It 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 that allows for anonymous reporting or “whistleblowing.” Reports of unethical behaviour are taken seriously since CAE considers any breach of the Code a threat to our culture, operations and financial well-being. 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. 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.

See the list of related policies.

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 are in place to identify, evaluate and mitigate bribery risks include, amongst 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 clearly 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.

Also see [Our performance](#) for information on policy updates.

Export compliance

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

The efficiency of our processes is bolstered by Export Controls training, which includes 11 department-specific modules that provide comprehensive training on U.S. export control and sanctions regulations, and local export control regulations.

All new employees are assigned to a learning module based on their job responsibilities. Sales teams receive additional training on CAE’s screening processes and, upon completion, are appointed Empowered Employees. In this role, they manage sanctions screening at CAE sites and screen all potential customers prior to signature of sales contracts. ▶

Ethical supplier relationships

Our Supplier Code of Conduct aligned with the International Forum on Business Ethical Conduct sets clear expectations for ethical behaviour and compliance with legal standards among our suppliers. Suppliers are expected to convey these principles at every step of their supply chain. For more details on our commitment to ethical sourcing and supplier relationships, consult our section on [Responsible supply chain management](#).

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 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 CAE Ethics Helpline, which offer confidential 24-7 support and service.

Teams within the 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 concerns.

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 and anyone engaging in retaliation is subject to disciplinary measures, up to and including termination of employment. This prohibition is reiterated in our training on the Code. ■

Policies



- > [Code of Business Conduct](#)
- > [Anti-Corruption Policy](#)
- > [Business Courtesies Policy](#)
- > [Business Partners Risk Management Policy \(internal\)](#)
- > [Charitable Donations and Sponsorships Policy](#)
- > [Conflicts of Interest \(internal\)](#)
- > [Global Export Compliance Guidelines \(internal\)](#)
- > [Human Rights Policy](#)
- > [Insider Trading Policy](#)
- > [Know Your Customer procedure \(internal\)](#)
- > [Lobbying and Political Contributions Policy](#)
- > [Screening Procedure Against Sanctions Programs \(internal\)](#)
- > [Supplier Code of Conduct](#)
- > [Whistleblowing Policy](#)



Our performance

Upholding our Code of Business Conduct

CAE 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. We revised our annual Code training in FY23 to increase its effectiveness and relatability, with a successful global roll out in FY24.

In FY24

- › **99%*** of CAE employees worldwide completed the acknowledgment of our Code of Business Conduct
- › **94%** of CAE employees worldwide have completed the on-line training on the Code of Business Conduct.

Reports and inquiries summary

In FY24, we received a total of 32 ethics reports and inquiries via the independent Ethics website and global call centre. Notably, a significant portion, 69%, of these reports were submitted anonymously. These reports originated from diverse geographical regions, with contributions from Europe (19%), Canada (50%), the U.S. (28%) and Asia-Pacific (3%). 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	FY24	FY23	FY22
CAE property	2	1	0
Computer systems, internet, intranet and email	0	1	0
Public statements and shareholder relations	0	1	1
Confidentiality of company, employee and third-party information	3	6	3
Dealings with governments	0	0	1
Conflict of interest, improper payments and business courtesies	3	3	4
Contracts and records	2	0	2
Safety in the workplace	0	0	2
Equal opportunity and harassment-free workplace	14	21	16
Interpretation of the Code of Business Conduct	1	1	0
Reporting a policy violation	7	7	2
Total	32	41	31

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

Strengthening ethical standards

In FY24, we completed the review of the Anti-Corruption Policy, the Business Courtesies Policy and the Whistleblowing Policy as part of our regular review of CAE policies.

We also introduced a new Business Partners Risk Management Policy which governs the appointment and use of Business Partners and sets forth the general principles and rules to identify, assess, monitor and control risks related thereto when conducting CAE's business domestically or globally.

Thought leadership

École des dirigeants HEC Montreal
Certification in ethics and compliance
Pierre Gignac, trainer

Export Development Canada
Le développement durable à l'international
Hélène V. Gagnon, interviewee

[Listen to the podcast.](#) (in French only)

Canadian Lawyer magazine
Hélène V. Gagnon on integrating ESG initiatives into the framework of the business at CAE

[Read the article.](#)



Business ethics roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> > Review Code of Business Conduct > Continuously improve capabilities to detect and remediate policy exceptions and any non-compliance across the organization > Strengthen CAE's Speak Up culture, with respect to our Whistleblowing Policy and process 	Annual	<div style="display: flex; align-items: center; gap: 10px;"> On track </div>
<ul style="list-style-type: none"> > Assess Code of Business Conduct training 		<div style="display: flex; align-items: center; gap: 10px;"> Achieved <i>With new training launched in FY24</i> </div>
<ul style="list-style-type: none"> > Enhance Insider Trading Policy 	FY24	<div style="display: flex; align-items: center; gap: 10px;"> Achieved </div>
<ul style="list-style-type: none"> > Increase training and enforcement of CAE policies related to business partners, contractors and suppliers 	FY25	<div style="display: flex; align-items: center; gap: 10px;"> On track </div>

Data privacy

Why it matters

As a technology company, data protection and privacy are strategic priorities at CAE, particularly given the value of information that 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 the 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. Our Policy applies to all our relations with stakeholders (employees, contingent workers, customers, partners and others) and to all types of activities involving the collection, use, storage, disclosure and processing of personal information.

This Policy and associated guidelines and operational procedures are overseen by CAE's Privacy Officer, who reports to the General Counsel, Chief 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, practices and stakeholder expectations.

CAE's Global Data Privacy Program is aligned with leading industry practices 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 applies to all our relations with stakeholders (employees, contingent workers, customers, 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 consists 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 employ a "privacy and security by design" approach to assess new initiatives for privacy and security concerns, ensuring these considerations are integrated into our processes from the start.

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 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.

In FY23, CAE issued important guidelines on the corporate use of ChatGPT, followed in FY24 by the creation of a multidisciplinary taskforce to monitor new developments and trends involving AI, including generative AI, and recommend practices and protocols that align with CAE’s commitment to transparency, fairness and accountability. In FY24, several taskforce members worked on formalizing CAE’s Artificial Intelligence Policy and specific guidelines on the acceptable use of generative AI, all of which are designed to direct CAE’s actions related to the development, deployment and use of AI. ■

Policies

- > [Code of Business Conduct](#)
- > [Guidelines on the corporate use of ChatGPT \(internal\)](#)
- > [Global Data Privacy Policy \(internal\)](#)
- > [IT and IT security policies, procedures and standards \(internal\)](#)

Our performance

Customer privacy breaches

In FY24, there were 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 delivered targeted, role-specific training to various groups of employees to incorporate protocols for data privacy into their process from the onset.

In FY24

- > **100%** of new employees completed the Global Data Privacy training.
- > **95%** of CAE employees worldwide completed the Confidentiality and Privacy module as part of the FY24 training on CAE’s Code of Business Conduct.

Data privacy week at CAE

The week-long campaign featured various activities and opportunities to equip our employees with knowledge and tools to securely navigate the dynamic digital ecosystem.



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"> › Data and AI Governance Committee established to oversee the development, deployment and use of AI and other data-driven products, services and technologies 	FY24	■ Achieved
<ul style="list-style-type: none"> › Set updated ethical principles for the responsible use of AI and data analytics and related policies 		■ Postponed (FY25)

Cybersecurity

Why it matters

As CAE accelerates our digitalization strategy, cybersecurity continues to be at the forefront of secure accelerated growth. Given the constantly evolving threat landscape and increasing international requirements, CAE views our commitment to cybersecurity as crucial. We embed security and resiliency across our digital value chain, from our business processes to our global flight training centres and flight operations.

We continue to remain vigilant against cyber attacks, including deterrence against current and future threats. Traditional threats range from denial of service, ransomware, phishing and IP theft. Modern threats include the malicious use of AI, quantum computing and other frontier technologies. These threats can lead to financial, reputational and legal repercussions.

Through rigorous security protocols and stakeholder collaboration, we ensure cybersecurity excellence, safeguarding operations and reinforcing trust in our digital ecosystem.



Governance

CAE's Enterprise Risk Management (ERM) Policy and framework provide a structured approach to identify, assess, manage, monitor and report cybersecurity risks. They reinforce CAE's collective risk management process and strengthen collaboration across our risk management, internal audit and business functions.

The Board of directors undergoes annual deep dives into the ERM's team assessment of cybersecurity risks and factors affecting controls. Findings are also presented to the Board of Directors' Audit Committee, which holds specific cyber-related oversight responsibilities.

Our Internal Audit team conducts independent assessments of CAE's governance, ERM Policy, control environment and internal control systems. These evaluations, which are provided to the Audit Committee and Executive Management Committee (EMC) to ensure transparency and effectiveness, focus on IT and cybersecurity risks and their influence on controls.

Through our Digital Security Program, CAE develops, implements and manages new policies to address the challenges posed by increasing compliance requirements and emerging technologies.

Overall authority and responsibility for managing our cybersecurity governance are delegated to the Chief Information Security Officer (CISO), under the oversight of key leadership and the Board.

The CISO leads CAE's Global Cybersecurity team and is responsible for our Global Information Security (IS) strategy to ensure that assets and associated technology, applications, systems, infrastructure, people and processes are adequately protected across our ecosystem. The CISO also works with our business units to identify and pursue revenue-generating cyber and IS opportunities worldwide.

The Global Cybersecurity team supports CAE's strategic objectives while ensuring we remain within our risk appetite metrics. The team provides comprehensive security and risk management services to protect data assets. Cybersecurity considerations are also incorporated into our mergers and acquisitions and procurement processes to assess the cyber resilience and compliance of potential partners and suppliers.

Management approach

CAE’s cybersecurity governing principles provide a strategic and sustainable resiliency model to address modern and future threats to our business. Our resilience strategy includes hard and soft controls governing data access, including multi-factor identification, firewalls, policies, guidelines and standards to improve adherence to cybersecurity protocols.

A multi-layered integrated framework covers the lifecycle of risk management and mitigation throughout the various digital channels, operations and entities at CAE. This framework aligns with parameters set by leading industry sources, including [ISO/IEC 27001](#) and the [National Institute of Standards and Technology](#).

Vulnerability management activities involve code testing and remediation, and routine internal and external penetration tests.

Our Cybersecurity team assesses, validates, prioritizes and tests the sustainability of key business processes. This includes performing an ongoing cycle of table top exercises, drills and preparedness training to ensure organizational resilience in the event of a crisis. We also conduct a semi-annual, over-the-horizon risk analysis that includes risk quantification, a cyber defence analysis and implementation of mitigation techniques.

Through early detection, proactive defence and timely response, our Digital Protection Centre protects our digital value chain from modern and future threats. This round-the-clock global security operation applies threat intelligence to develop a counter-adversary capability. Integration into IT operations heightens user awareness of their role in keeping CAE cyber safe, with centralized mailbox and communication channel facilitating immediate response to requests for support or to reports of suspicious activity.

Applying the secure-by-design principle, CAE builds security into our products and services as a core business requirement implemented at the concept phase. Our secure-by-default approach takes on security at the root level, with default setting as secure as possible. We also commit to System and Organization Control (SOC 2) attestation as a valuable auditing procedure to maintain trust from our customer.

User awareness and training

As a top priority, CAE emphasizes the importance cybersecurity awareness at all levels of our organization. During his quarterly CEO Sessions, Marc Parent reviews potential risks and realistic scenarios to stress the fact that everyone has a role to play in keeping CAE cyber safe.

We conduct cybersecurity readiness exercises twice annually, one with technical employees and the other with the EMC. Facilitated by an external firm, these exercises measure our incident response capacity.

Our Cybersecurity Global Training Awareness Program reinforces safe practices through articles, reminders, webinars and expert panels. On a quarterly basis, CAE employees and contingent workers must complete topical training modules (detailed under [Our performance](#)). The Awareness Program also issues random email simulations, with acknowledgments and rewards for top performers.

Policies

- > [Code of Business Conduct](#)
- > [Supplier Code of Conduct](#)
- > [Information Security Terms for Suppliers](#)
- > [Enterprise Risk Management Policy \(internal\)](#)
- > [Cybersecurity and compliance policies \(internal\)](#)

Our performance

Cybersecurity training

With a consistent 90% global completion rate extending over six years among CAE employees, we see a steady decrease in the percentage of our target audience falling prey to fake cybersecurity attack attempts and an increase in reporting.

In FY24

› More than **90%** of regular employees completed 3 cybersecurity training modules.

CAE obtains CyberSecure Canada certification

CAE received certification from CyberSecure Canada, a flagship initiative under the Standards Council of Canada, the country’s leading accreditation organization. This certification represents official recognition of CAE’s demonstrated security controls compliance from the federal government.

Bitsight rating puts CAE above industry average

In an independent analysis by Bitsight, CAE’s external security rating scored above average in the aerospace/defense category and in the top 40% in the defense sector benchmark. From March 2023 to January 2024, we achieved a 130-point increase to reach this position.

Bitsight, a security ratings firm, developed a methodology that applies a global standard for cyber risk governance. The firm’s assessment tool provides an objective, data-driven lens to view the health of an organization’s cybersecurity program. Multiple external bodies consult these scores, including credit agencies, insurers, regulators, compliance officers and SOC analysts.

CAE hosts Aviation ISAC’s Q1 AvTech 2024

CAE hosted the first quarterly session of Aviation Tech Exchange at our Montreal headquarters.

Sponsored by the [Aviation Information Sharing and Analysis Center](#) (Aviation ISAC), the event presented a wonderful opportunity for CAE to enhance our visibility as a thought leader in cybersecurity and strengthen relationships among Aviation ISAC collaborators.

Members, which include airframers, airlines, airports, satellite manufacturers, aviation services and their supply chains, meet quarterly to exchange leading cyber defence practices within the aviation industry. ▶



Cybersecurity Awareness Month

CAE and Microsoft partner on Cybersecurity Cloud Skills Challenge

CAE partnered with Microsoft to host the Cybersecurity Cloud Skills Challenge, a month-long skilling program designed to accelerate the learner's cybersecurity training journey. By completing various courses or certifications on Microsoft's digital learning platform, participants enhanced their cybersecurity knowledge and skills.

Panel on cybersecurity for kids and teens

CAE Cybersecurity team members joined guest speakers from Deloitte and Accenture for a panel on how to talk to kids and teens about cybersecurity. The panel discussed the unique challenges young people face, actions to protect their online presence and resources available to caregivers.

Roundtable on artificial intelligence, data privacy and cybersecurity

Leaders from CAE's Cybersecurity, Intellectual Property, Ethics and Compliance and AI teams exchanged their perspectives on inherent risks, challenges and opportunities surrounding AI.

Their exchange offered employees insight into how AI works, its potential to be a transformative force and the considerations organizations must navigate in its use. ■



Thought leadership

World summit AI Americas 2023

How best to prepare your business for the new threats posed by the latest technological advancements

Mark Fernandes, speaker

 [Watch the video.](#)

Canadian Women in Cybersecurity

The Superpower in you

Mark Fernandes, speaker

 [Watch the video.](#)

Forensik Conference (Atos)

Lessons learned from security leaders

Paul Assaad

Amazon Web Services Day

CAE's Cloud Center of Excellence and Platform Engineering vision

Jean-François Gamache, speaker

CyberEco-Cyberconference

Roundtable Cybersecurity & Transport

Paul Assaad

360 by Deloitte

Why most CISOs are failing at protecting their organizations from cyberattacks

Paul Assaad

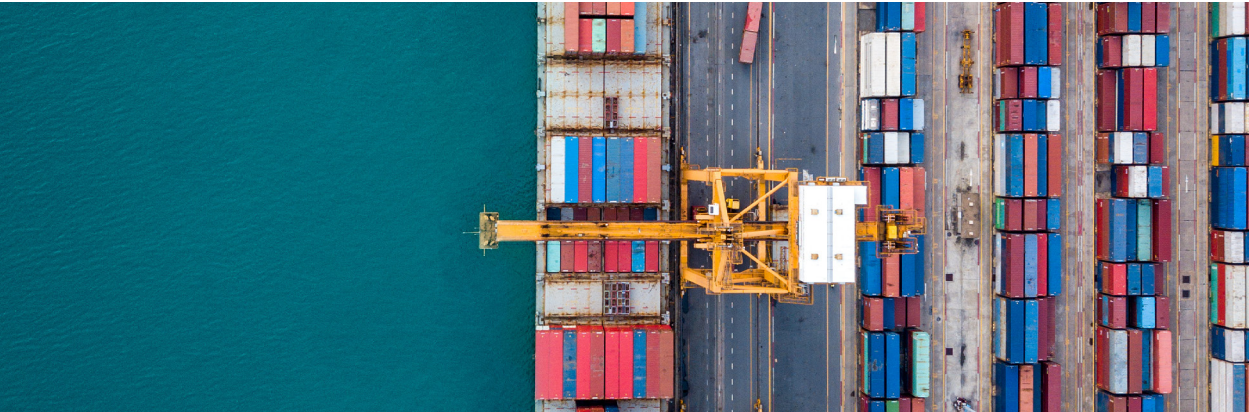


Cybersecurity roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> > Get the Global Data Privacy program audited for security > Deliver customized CAE employee training on cybersecurity 	Annual	■ On track
<ul style="list-style-type: none"> > Enhance disclosures on cybersecurity aligned with best practices 	FY24	■ Achieved
<ul style="list-style-type: none"> > Get the cybersecurity program certified by external body 	FY25	■ On track



Responsible supply chain management

Why it matters

Responsible supply chain management is essential for CAE as an imperative to meet our sustainability objectives. 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 contractor 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, extending from vendor selection, risk and compliance management, contract negotiation, to goods and services purchased, create value and promote sustainability at every stage of the supply chain.

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 five teams that form a cadre of comprehensive oversight and management of CAE’s global supply chain activities:

- **Contract, Risks, Bids and DP&E** – negotiates and manages OEM and subcontractor agreements relating to data, parts and equipment (DP&E) procurement activities and oversees contracts management.
- **Indirect and Training Centres procurement** – creates a competitive advantage for CAE through strategic sourcing of goods and services to leverage global volume efficiencies and assure cohesive risk management.
- **Performance & Solutions Management** – works across functions and businesses, managing overall risk and compliance through policies, procedures and digital solutions that ensure a safe and compliant supplier base.
- **Supply Chain and Sustainability Management** – ensures supply to our global operations and aftermarket support through supplier performance, risk management and supply strategies. Our Sustainability ESG team oversees all related activities for GPSM, including related to our internal governance, and fosters ties with external organizations.
- **Global Real Estate** – focuses on strategic and tactical real estate and property management initiatives to optimize the footprint and environmental efficiency of our operations.

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 our adherence to human rights principles, we have published a [Consolidated Modern Slavery and Human Trafficking statement](#) to align with various regulatory requirements.

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 supply chains. 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 Code of Conduct. CAE's Supplier Code 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 ESG matters.

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 ESG criteria into our request for proposal, requiring our suppliers to complete an initial survey to assess their suitability. The criteria will 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 ESG score.

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

In FY24, we introduced a specific ESG annex to our contracts with suppliers to explicitly define our requirements and reinforce sustainable practices through our commercial relations.

Advancing supplier resilience and risk management

We implemented a third-party risk assessment and monitoring tool, EcoVadis, and are progressively extending its application across our supplier base. This essential compliance asset aids us in screening suppliers throughout our procurement lifecycle, in search for potential violations or adverse media coverage. We also monitor ongoing risk exposure related to our supply chain.

Our supplier assessment consists of a comprehensive set of criteria that focus on the environment, ethics and sustainable procurement. Evaluations cover vital considerations such as labour and human rights, employee health and safety, working conditions, DE&I, career management, as well as child labour and forced labour.

When a risk is identified by our monitoring system, our Sustainable Supply Chain Committee leads the mitigation process. This involves convening concerned GPSM leaders to assess the risk impact, design and implement a supplier improvement and heightened risk monitoring plan. In the event a high-impact risk is identified, our GPSM Decision Board devises a strategy and risk mitigation plan. Should CAE decide to terminate our partnership with the supplier, a supplier disengagement plan is designed, approved and implemented immediately. Documentation of all actions and communications with the supplier is required in either scenario.

Please refer to the [Human rights: Our performance](#) section to learn how we handled an event involving human rights risks in our supply chain. ►

Training and stakeholder engagement

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 actively participate in diverse industry activities to foster collaboration and encourage responsible business practices across our supply chain. Our sustainability ambassadors, a role created in FY24, communicate CAE's sustainability initiatives internally and externally. They further the integration of ESG principles in our operations and vendor management, meeting biweekly to assess supplier performance, engagement and maturity.

In FY24, we deployed the CAE Resilient Together Program, which centres around three pillars to mutually reinforce on the most important issues pertaining to our supply chain: strengthen, innovate and de-risk. 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. An accompanying Supplier Recognition Program incorporates external initiatives that complement internal activities, such as the DE&I and environmental awareness training completed by our GPSM group. ■



Policies

- > [Code of Business Conduct](#)
 - > [Human Rights Policy](#)
 - > [Anti-Corruption Policy](#)
- > [Conflict Minerals Policy](#)
 - > [Purchasing Policy \(internal\)](#)
 - > [Global EH&S Policy](#)
- > [Purchasing General Terms and Conditions](#)
 - > [Counterfeit Policy](#)



Our performance

Progress on CAE supplier assessment

Our supplier assessments are crucial for managing risks and improving the sustainability performance of our supply chain.

In FY24

- > **73%** of CAE'S strategic suppliers, **representing about 92% of our direct spend**, were scored or in process of being scored by our third-party risk monitoring tool, EcoVadis.*

New CAE Crystal Excellence Award recognizes top-performing suppliers

CAE proudly introduced the CAE Crystal Excellence Award in September 2023. This award recognizes suppliers for operational excellence, sustainability performance and commitment to fostering strong collaborative relationships. We congratulate award recipients Amazon Web Services, BMP Metals, Morrison Air Conditioning Inc. and Randstad Sourceright.



CAE awarded EcoVadis bronze certification

We are pleased to receive a bronze sustainability rating in our initial submission to EcoVadis. This certification underscores our dedication to environmental, social and ethical standards in our business practices. Specifically, our scoring reflects mature supply management practices that enhance partnerships by driving operational excellence and sustainability at the heart of our suppliers' progression plan. 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 active in IAEG global forum

CAE plays an active role as a Board Director and 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 participate in various workgroups focused on critical topics such as aerospace industry ESG engagement, GHG management and reporting, and other key areas impacting both the value and supply chain.

To learn more about environmental initiatives in the supply chain, please read the [Sustainable sourcing](#) section. ▶

* Strategic suppliers play an integral role in CAE's operations. Strategic suppliers are typically Tier 1s, integrators or OEMs with whom CAE transacts a high degree of volume, value and/or complex work and from whom an extended supply interruption or gaps in supply would cause a direct impact either on the ability to satisfy customer demands for new products or on aftermarket requirements.

Successful supplier development program builds capabilities and capacity

CAE collaborated with an Ontario-based strategic supplier in a three-step approach to build operational capabilities and capacity. The approach applied Six Sigma principles, integrating systems and tools. The program concluded in FY24 with successful implementation of a process-improvement project that streamlined operations, delivered higher-quality output and improved efficiency.

This initiative embraces a lean management approach, intertwining principles of efficiency and sustainability. Streamlining processes and minimizing waste not only enhances environmental responsibility but also optimizes resource utilization. Through this integrated strategy, we strive to achieve operational excellence while minimizing our environmental footprint.

Supplier diversification initiatives

As part of CAE's commitment to supporting woman-owned businesses, we worked closely with a Quebec-based strategic supplier to enhance operational capabilities while drastically reducing raw materials consumption. Our contribution involved developing the company's plant management efficiencies and a \$600,000 investment in tooling upgrades, further empowering their business to thrive in a competitive landscape and grow sustainably for the benefit of their stakeholders and CAE's needs.

In FY24, our focus also turned toward strengthening Indigenous relations. Our GPSM, DE&I and government programs embarked on a joint supplier diversification initiative. Initial steps taken led to meaningful discussions with an Indigenous community located in Montréal, interviews with Indigenous suppliers and a supplier contract award. ■

Thought leadership

Aéro Montréal Global Supply Chain Summit

ESG and the Supply Chain

[Hélène V. Gagnon, panelist](#)

HEC Montréal Supply Chain Forum (Carrefour logistique)

ESG criteria in supplier selection

[Hélène V. Gagnon, speaker](#)

McGill University School of Continuing Studies

*Logistics, Operations & Aviation Management
Dynamic Supply Networks Sustainability*

[Valerie Myers, guest lecturer](#)

Sous-traitance industrielle du Québec

Réduction de l'empreinte environnementale

[Valerie Myers, panelist](#)

HEC Montréal Department of Logistics & Operations Management

Table des Gouverneurs

[Valerie Myers, member and panelist](#)

CAE Virtual Supplier Forum: Driving change

Uncovering the Value of Supplier Sustainability Evaluations

[Bernard Ross and Valerie Myers, speakers](#)
[Salimah Lalji, panel moderator and Hélène V. Gagnon, panelist](#)

 [Watch the video.](#)

CAE Supplier Forum 2024

Resilient Together

[Marc Parent, Bernard Ross, Valerie Myers, Emmanuel Levitte, François Dubé, Jason Goodfriend and Marc-Olivier Sabourin, speakers](#)

[Samantha Golinski, panel moderator and Hélène V. Gagnon, panelist](#)

Consero Procurement Strategic Sourcing Forum

*Sustainability as a Competitive Advantage:
Leveraging ESG Criteria in Your Sourcing Strategy*

[Bernard Ross, panelist](#)

Les Affaires

Transition Stories: Collaboration's Impact on the Aerospace Value Chain

[Julien Rollier, panelist](#)



Responsible supply chain management roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> > Setting and commitment to long term Scope 3 GHG emission targets FY24 as per SBTi criteria > ESG risk assessment and monitoring tool deployed > CAE Supplier recognition program deployed > 50% of direct suppliers assessed on their exposure to climate change risks > Roll out of ESG risk management framework inclusive of human rights measures 	FY24	■ Achieved
<ul style="list-style-type: none"> > Establish protocols to prevent and mitigate direct human rights risks > Train 100% of GPSM group on ESG matters for further integration in procurement processes and decision-making > Achieve 80% of strategic suppliers assessed on DE&I 	FY25	■ On track
<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.

129 Montée de Liesse, Saint-Laurent,
Quebec, Canada H4T 1N4

Scope – Assembly and test of simulation products.

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, Greenwood,
Nova Scotia, Canada B0P 1N0

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

CAE Canada Region – Halifax

36 Solutions Drive, Suite 200, Halifax,
Nova Scotia, Canada B3S 1N2

Scope – Software development, systems engineering, systems integration, in-service support, operational systems, enterprise training and consulting services for defense, 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 defense 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, V0R 2K0

Scope – Provide aircrew simulator services and maintain aircraft simulator devices.

CAE Canada Region – Trenton

426 Squadron, 20 Buffalo Avenue, 8 Wing Trenton, Astra,
Ontario, Canada K0K 3W0

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

46 Yukon Avenue, 8 Wing Trenton, Astra,
Ontario, Canada K0K 3W0

Scope – Repair and maintain flight simulators, aircraft maintenance training devices and associated training equipment; provide on-site hardware/software support; manage spares and inventory; coordinate and schedule training time; provide aircrew training services; develop and maintain courseware and training documentation; and provide data and records management.

CAE Military Aviation Training

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, Uganvadi Post, Devanahalli Taluk, Bangalore-562 110, Karnataka, India

Scope – Designing, developing, integrating, and maintaining of simulators for aerospace, defense sectors.

CAE USA – Tampa

**4490 South Yuma Street,
BLD 4832 Davis-Monthan AFB, Arizona, U.S. 85707**

Scope – Course instruction and simulator maintenance.

4908 Tampa West Boulevard, Tampa, Florida, U.S. 33634

Scope – The design, integration, test and installation of simulation devices for military training. Course instruction and simulator maintenance for military training.

5411B Pioneer Park Drive, Tampa, Florida, U.S. 33634

Scope – Installation, test and storage.

4250 Aberdeen Avenue SE, Kirtland AFB, Albuquerque, New Mexico, U.S. 87117

Scope – Course instruction and simulator maintenance.

1914 Arnold Avenue Joint Base Andrews, Maryland, U.S. 20762

Scope – Course instruction and simulator maintenance.

8010 Sijan Street Bldg. 673 Moody AFB, Georgia, U.S. 31699

Scope – Course instruction and simulator maintenance.

CAE USA – Arlington, Texas

2200 Arlington Downs Road Arlington, 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, Arlington, Texas, U.S. 76010

Scope – Warehouse and production of simulation and training systems for military and commercial application.

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, Oklahoma

3724 West Vancouver, Broken Arrow, Oklahoma, U.S. 74012

Scope – Design, development, manufacture, and modification of defense and commercial products. These products include maritime and aviation electro-mechanical systems, instruments, panels, and displays.

CAE USA – Tulsa, Oklahoma

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

Scope – Manufacture and modification of defense and commercial products. These products include maritime and aviation electro-mechanical systems, instruments, panels and displays.

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 using simulation training devices.

**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 O807 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 C27J 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 Tainvi Street, 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

**Addax Tower, 51st Floor, Office 5109, Al Reem Island,
Abu Dhabi, UAE**

Scope – *Management of engineering, supply, installation, commissioning and maintenance of simulator training devices and integrated Live-Virtual-Constructive (LVC) training services for defense sector.*

CAE Germany – CAE GmbH – Stolberg

CAE GmbH, 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 and the provision of training programmes. Maintenance, support, repair and operation of synthetic training equipment and simulation environments and, if required, the provision of related training programmes.*

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 Defence & Security

**Innovation Drive, Burgess Hill,
West Sussex, RH15 9TW, U.K.**

In addition to ISO 9001:2015, certification includes TickITplus Foundation.

Scope – *Design, supply and maintenance of training equipment and synthetic environments and the provision of associated training, customer requirements analysis and through life support.*
Scope profile: *Systems and software development and support.*
Additional processes: *Maintenance management.*

**Medium Support Helicopter, Aircrew Training Facility,
RAF Benson, Wallingford, Oxfordshire, OX10 6AA, U.K.**

In addition to ISO 9001:2015, certification includes TickITplus Foundation.

Scope – *Design, supply and maintenance of training equipment and synthetic environments and the provision of associated training, customer requirements analysis and through life support.*
Scope profile: *Systems and software development and support.*
Additional processes: *Maintenance management.*

**Merlin Training Facility, RNAS Culdrose, Helston,
Cornwall, TR21 7HR, U.K.**

In addition to ISO 9001:2015, certification includes TickITplus Foundation.

Scope – *Design, supply and maintenance of training equipment and synthetic environments and the provision of associated training, customer requirements analysis and through life support.*
Scope profile: *Systems and software development and support.*
Additional processes: *Maintenance management.*

CAE Hungary – CAE Engineering Kft. – Budapest

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

Scope – *Software Development.*

Singapore CAE Flight Training Pte. Ltd.

720, Upper Changi Road East, Singapore 486852, Singapore

Scope – *Provision of commercial pilot training.*

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 defense organizations

CAE Montreal

8585 Côte-de-Liesse, Saint-Laurent,
Quebec, Canada H4T 1G6

Scope – Project management, design (hardware and software), manufacture, repair and overhaul of 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

4908 Tampa West Boulevard, Tampa, Florida, U.S. 33634

Scope – The design, integration, test and installation of simulation devices, course instruction and simulator maintenance for military training.

5411B Pioneer Park Drive, Tampa, Florida, U.S. 33634

Scope – Installation, integration, test and storage.

4250 Aberdeen Avenue Kirtland AFB, New Mexico, U.S. 87117

Scope – Course instruction and simulator maintenance.

4490 South Yuma Street, Building 4832 Davis-Monthan AFB,
Arizona, U.S. 85707

Scope – Course instruction and simulator maintenance.

1914 Arnold Avenue Joint Base Andrews, Maryland, U.S. 20762

Scope – Course instruction and simulator maintenance.

8010 Sijan Street Bldg. 673 Moody AFB, Georgia, U.S. 31699

Scope – Course instruction and simulator maintenance.

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.

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.

3101 Pinewood Drive Arlington, Texas, U.S. 76010

Scope – Warehouse and production of simulation and training systems for military and commercial application.

CAE USA – Broken Arrow, Oklahoma

3724 West Vancouver Broken Arrow, Oklahoma, U.S. 74012

Scope – Design, development, manufacture, modification, and installation of defense and commercial products. These products include maritime and aviation electro-mechanical systems, instruments, panels, and displays.

CAE USA – Tulsa, Oklahoma

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

Scope – Manufacture and modification of defense and commercial products. These products include maritime and aviation electro-mechanical systems, instruments, panels, and displays.

CMMI-DEV – Capability maturity model integration for development, version 2.0

CAE Canada Region – Mirabel

10000 Helen-Bristol Street, Mirabel,
Quebec, Canada J7N 1H3

Scope – Maturity Level 5, CAE Defense & Security operational systems and in-service support.

CMMI-SVC – Capability maturity model integration for services, version 2.0

CAE Canada Region – Mirabel

10000 Helen-Bristol Street, Mirabel,
Quebec, Canada J7N 1H3

Scope – Maturity Level 5, CAE Defense & Security operational systems and in-service support.

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 defense 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. Provision of training services using simulation training devices.

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 O807 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 C27J 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 Tainvi Street, 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 Defense & Security

**Innovation Drive, Burgess Hill,
West Sussex, RH15 9TW, U.K.**

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

**Merlin Training Facility, RNAS Culdrose, Helston,
Cornwall, TR12 7RH, U.K.**

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

**Medium Support Helicopter 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

**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, Greenwood,
Nova Scotia, Canada B0P 1N0**

Scope – *Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.*

CAE Canada Region – Halifax

**36 Solutions Drive, Suite 200, Halifax,
Nova Scotia, Canada B3S 1N2**

Scope – *Software development, systems engineering, systems integration, in-service support, operational systems, enterprise training and consulting services for defense, 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 defense 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 – Trenton

426 Squadron, 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 SOH ONO

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 using simulation training devices.

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.

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 C27J 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 Tainvi Street, 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 – CAE (UK) plc, whole company excluding development network.

EcoProfit environmental certification

CAE Germany – CAE GmbH – Stolberg

CAE GmbH, 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.

OHSAS 18001:2007 – Occupational health and safety management systems – Requirements

CAE Military Aviation Training

NFTC, Colonel O.B. Philips Complex, Building 160, PO Box 120,
Bushell Park, Saskatchewan, Canada S0H 0N0

Scope – Maintenance of aircraft, ground school training, in-flight training and airfield operations.

Work and Family Certification

CAE Germany – CAE GmbH – Stolberg

CAE GmbH, 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	FY24	FY23	FY22
GRI 2: General disclosures			
1. The organization and its reporting practices			
2-1 Organizational details			
Legal name of the organization	Page 1	FY23 Global Annual Activity and Sustainability report, page 1	FY22 Annual Activity & CSR report, page 1
Location of headquarters	Page 11	FY23 Global Annual Activity and Sustainability report, page 14	FY22 Annual Activity & CSR report, page 8
Location of operation(s)	Page 11	FY23 Global Annual Activity and Sustainability report, page 14	FY22 Annual Activity & CSR report, page 8
Ownership and legal form	FY24 MD&A, pages 68	FY23 MD&A, pages 113	FY22 MD&A, pages 122
2-2 Entities included in the organization's sustainability reporting			
Entities included in the organizations sustainability reporting ¹	FY24 Annual Information Form	FY23 Annual Information Form	FY22 Annual Information Form
Entities included in the consolidated financial statements			
2-3 Reporting period, frequency and contact point			
Reporting period-Start Date	Refer to About this report	FY23 Global Annual Activity and Sustainability report, page 2	FY22 Annual Activity & CSR report, page 2
Reporting period-End Date			
Frequency			
Publication date of the report or reported information			
Contact point for questions regarding the report			
2-4 Restatements of information			
Restatements of information made from previous reporting periods	<ul style="list-style-type: none"> – 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	Refer to the footnotes in our FY22 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	FY23 Global Annual Activity and Sustainability report, page 73	FY22 Annual Activity & CSR report, page 2
2. Activities and workers			
2-6 Activities, value chain and other business relationships			
A. Sectors of activity	Refer to Overview	FY23 Global Annual Activity and Sustainability report, page 2	FY22 Annual Activity & CSR report, page 7
B. Description of value chain	Refer to: Civil Aviation and Defense & Security	FY23 Global Annual Activity and Sustainability report, page 17	FY22 Annual Activity & CSR report, page 50

¹ Exception: for our GHG emissions, we report on operational control as per GHG Protocol standards.

GRI standards	FY24	FY23	FY22
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GRI 2: General disclosures

2. Activities and workers

2-7 Total number of employees

Total number of employees ¹	12,811 ²	13,217 ³	FY22 Annual Activity & CSR report, page 108
Total number of employees in our joint ventures ⁴	830	724	570

2-7 Employees, by gender

Women	3,028 / 23.65% ⁵	3,085 / 23.34%	FY22 Annual Activity & CSR report, page 108
Men	9,778 / 76.35% ⁵	10,130 / 76.64%	

2-7 Employees, by gender, by region⁶

Quebec	Women	1,045 / 25.41% ⁶	994 / 24.79%	CAE started reporting on GRI 2-7 in FY23. No data available for previous fiscal years.
	Men	3,066 / 75.54% ⁶	3,016 / 75.21%	
	Total	4,113 / 32.11%	4,011 / 30.35%	
Rest of Canada	Women	162 / 21.77%	169 / 22.09%	
	Men	582 / 78.23%	596 / 77.91%	
	Total	744 / 5.81%	765 / 5.79%	
U.S.	Women	885 / 20.65% ⁶	1,043 / 21.09%	
	Men	3,398 / 79.30% ⁶	3,903 / 78.91%	
	Total	4,285 / 33.45%	4,946 / 37.42%	
South America	Women	62 / 26.38%	42 / 21.65%	
	Men	173 / 73.62%	152 / 78.35%	
	Total	235 / 1.84%	194 / 1.47%	
Europe, Middle East, Africa (EMEA)	Women	641 / 25.75%	625 / 26.00%	
	Men	1,848 / 74.25%	1,779 / 74.00%	
	Total	2,489 / 19.43%	2,404 / 18.19%	
Asia-Pacific (APAC)	Women	233 / 24.66% ⁶	212 / 23.66%	
	Men	711 / 75.24% ⁶	684 / 76.34%	
	Total	945 / 7.38%	897 / 6.75%	

2-7 Employees by employment type, by gender

Full-time–Women	2,919 / 23.36%	2,967 / 22.99%	CAE started reporting on GRI 2-7 in FY23. No data available for previous fiscal years.
Part-time–Women	9,573 / 76.6%	118 / 77.00%	
Full-time–Men	109 / 34.71%	9,937 / 37.94%	
Part-time–Men	205 / 65.29%	193 / 62.05%	

1 The definition of total number of employees includes only permanent employees.
 2 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.
 3 In FY23, 2 employees did not identify as women or men. They are included in this indicator.
 4 Employees in our joint ventures are excluded from total number of employees.
 5 In FY24, 5 employees did not identify as women or men and have been excluded in this indicator.
 6 In FY24, 5 employees did not identify as women or men and have been excluded from the gender breakdown in this indicator.

GRI standards	FY24	FY23	FY22
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GRI 2: General disclosures

2. Activities and workers

2-7 Employees, by employment type ¹			
Full-time	12,497 / 97.55%	12,906 / 97.65%	CAE started reporting on GRI 2-7 in FY23. No data available for previous fiscal years.
Part-time	314 / 2.45%	311 / 2.35%	

2-7 Employees by employment type, by region				
Quebec	Full-time	4,060	3,963	CAE started reporting on GRI 2-7 in FY23. No data available for previous fiscal years.
	Part-time	53	48	
Rest of Canada	Full-time	734	756	
	Part-time	10	9	
U.S.	Full-time	4,210	9	
	Part-time	75	756	
South America	Full-time	228	194	
	Part-time	7	0	
Europe, Middle East, Africa (EMEA)	Full-time	2,338	2,251	
	Part-time	151	153	
Asia-Pacific (APAC)	Full-time	927	887	
	Part-time	18	10	

2-8 Workers who are not employees			
Total number of workers who are not employees and whose work is controlled by the organization	3,038	3,159	CAE started reporting on GRI 2-8 in FY23. No data available for previous fiscal years.
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			
Governance structure	Refer to Sustainability governance	FY23 Global Annual Activity and Sustainability report, page 71	FY22 Annual Activity & CSR report, page 50
Describe the influence/power of the Board Committee on ESG issues	Refer to Sustainability governance	FY23 Global Annual Activity and Sustainability report, page 177	FY22 Annual Activity & CSR report, page 2
Total number of Board members	13	13	CAE started reporting on GRI 2-9 in FY23. No data available for previous fiscal years.
Number of executive Board members	1	1	
Percentage of executive Board members	8%	8%	

¹ The percentages represent the proportion of employees by employment type as a percentage of all CAE employees. Employees who do not identify as women or men are included in this indicator.

GRI standards	FY24	FY23	FY22
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GRI 2: General disclosures

3. Governance

2-9	Governance structure and composition	FY24	FY23	FY22
	Number of independent non-executive Board members	12 / 92%	12 / 92%	
	Describe the number of other significant positions and commitments held by each member and the nature of the commitments	FY24 Management Proxy Circular	FY23 Management Proxy Circular	
	Number of independent members of the Governance Committee	7 / 100%	7 / 100%	
	Number of independent members of the Audit Committee	8 / 100%	6 / 100%	
	Number of independent members of the Human Resources Committee	7 / 100%	7 / 100%	
	Average Board tenure	4.17 years	5 years	CAE started reporting on GRI 2-9 in FY23. No data available for previous fiscal years.
	Number of independent or non-executive members with industry experience	7	8	
	List of independent or non-executive Directors included above	FY24 Management Proxy Circular	FY23 Management Proxy Circular	
	Number of women Board members	5 / 38%	4 / 31%	
	Number of members of visible minorities on the Board	1 / 8%	1 / 8%	
	Number of Indigenous Peoples on the Board	0 / 0%	0 / 0%	
	Number of people with a disability on the Board	0 / 0%	0 / 0%	
	Number of people from the LGBTQ2+ community on the Board	1 / 8%	1 / 8%	

2-10	Nomination and selection of the highest governance body	FY24	FY23	FY22
	Nominating and selecting the highest governance body	FY24 Management Proxy Circular	FY23 Management Proxy Circular	FY22 Management Proxy Circular

2-11	Chair of the highest governance body	FY24	FY23	FY22
	Chair of the highest governance body	Board of Directors	FY23 Management Proxy Circular	FY22 Management Proxy Circular

2-12	Role of the highest governance body in overseeing the management of impacts	FY24	FY23	FY22
	Role of highest governance body in setting purpose, values and strategy	Governance	Governance	Governance
	Identifying and managing economic, environmental and social impacts	Refer to Sustainability governance	FY23 MD&A, pages 40	FY22 MD&A, pages 44
	Consulting stakeholders on economic, environmental and social topics	Refer to Stakeholder engagement	FY23 Global Annual Activity and Sustainability report, page 74	CAE started reporting on GRI 2-12 in FY23. No data available for previous fiscal years.

2-13	Delegation of responsibility for managing impacts	FY24	FY23	FY22
	Delegating authority	Refer to Sustainability governance	FY23 Global Annual Activity and Sustainability report, page 71	FY22 Annual Activity & CSR report, page 50
	Executive-level responsibility for economic, environmental and social topics	Refer to Sustainability governance	FY23 Global Annual Activity and Sustainability report, page 71	FY22 Annual Activity & CSR report, page 50

GRI standards	FY24	FY23	FY22
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GRI 2: General disclosures

3. Governance

2-14	Role of the highest governance body in sustainability reporting			
	Highest governance body's role in sustainability reporting	Refer to Sustainability governance	FY23 Global Annual Activity and Sustainability report, page 71	FY22 Annual Activity & CSR report, page 50
2-15	Conflicts of interest			
	Conflicts of interest	Refer to Business ethics	FY23 Global Annual Activity and Sustainability report, page 180	FY22 Annual Activity & CSR report, page 68
2-16	Communication of critical concerns			
	Communicating critical concerns	Refer to Business ethics	FY23 Global Annual Activity and Sustainability report, page 180	FY22 Annual Activity & CSR report, page 68
	Total number of critical concerns that were communicated to the highest governance body	Refer to Business ethics	FY23 Global Annual Activity and Sustainability report, page 180	FY22 Annual Activity & CSR report, page 68
	Nature of critical concerns that were communicated to the highest governance body	Refer to Business ethics	FY23 Global Annual Activity and Sustainability report, page 180	FY22 Annual Activity & CSR report, page 68
2-17	Collective knowledge of the highest governance body			
	Collective knowledge of highest governance body	FY24 Management Proxy Circular	FY23 Management Proxy Circular	FY22 Management Proxy Circular
2-18	Evaluation of the performance of the highest governance body			
	Evaluating the highest governance body's performance	FY24 Management Proxy Circular	FY23 Management Proxy Circular	FY22 Management Proxy Circular
2-19	Remuneration policies			
	Remuneration policies	FY24 Management Proxy Circular	FY23 Management Proxy Circular	FY22 Management Proxy Circular
2-20	Process to determine remuneration			
	Process to determine remuneration	FY24 Management Proxy Circular	FY23 Management Proxy Circular	FY22 Management Proxy Circular
2-21	Annual total compensation ratio ¹			
	Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (<i>excluding the highest-paid individual</i>)	51.24	42.78	CAE started reporting on GRI 2-21 in FY23. No data available for previous fiscal years.
	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 (<i>excluding the highest-paid individual</i>)	0.88 ²	0.96	

4. Strategy, policies and practices

2-22	Statement on sustainable development strategy			
	Statement on sustainable development strategy	Refer to Sustainability program	FY23 Global Annual Activity and Sustainability report, page 73	FY22 Annual Activity & CSR report, page 50

¹ Data reported is based on our seven most significant countries of operations: Canada, U.S., U.K., Germany, Australia, India and UAE.

² 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.

GRI standards	FY24	FY23	FY22
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GRI 2: General disclosures

4. Strategy, policies and practices

2-23	Policy commitments			
	Policy commitments	Refer to Human rights and Business ethics Refer to the management approach related to each material topic in this report.	FY23 Global Annual Activity and Sustainability report, page 84	FY22 Annual Activity & CSR report, pages 64
2-24	Embedding policy commitments			
	Embedding policy commitments	Refer to Human rights and Business ethics	FY23 Global Annual Activity and Sustainability report, page 147 and page 180	FY22 Annual Activity & CSR report, pages 64
2-25	Processes to remediate negative impacts			
	Processes to remediate negative impacts	Refer to Stakeholder engagement, pages 31-37 and Business ethics, pages 128-132	FY23 Global Annual Activity and Sustainability report, page 74 and page 180	FY22 Annual Activity & CSR report, pages 64
2-26	Mechanisms for seeking advice and raising concerns			
	Mechanisms for seeking advice and raising concerns	Refer to Business ethics	FY23 Global Annual Activity and Sustainability report, page 180	FY22 Annual Activity & CSR report, pages 64
2-27	Compliance with laws and regulations			
	Total number of instances of non-compliance	1 ¹	No significant fine	No significant fine
	Total monetary value of significant fines	\$15,625.0	No significant fine	No significant fine
	Total number of non-monetary sanctions	0	No significant fine	No significant fine
2-28	Membership associations			
	Membership associations	Refer to Stakeholder engagement, 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	Refer to Stakeholder engagement	FY23 Global Annual Activity and Sustainability report, page 74	CAE started reporting on GRI 2-29 in FY23. No data available for previous fiscal years.
2-30	Collective bargaining agreements			
	Percentage of employees covered by collective agreements	18.0%	15.9%	17.0%

GRI 3: Material topics

3-1	Process to determine material topics			
	Actual and potential, negative and positive impacts on the economy, environment and people, including impacts on their human rights	Refer to Sustainability program		
	How the organization prioritized the impacts for reporting based on their significance	Refer to Sustainability program		
	Stakeholders and experts whose views have informed the process of determining its material topics	Refer to Sustainability program		
			CAE started reporting on GRI 3 in FY24. No data available for previous fiscal years.	

¹ On January 8, 2024, CAE USA Inc. received a fine of \$15,625 for violations of the Occupational Safety and Health Act of 1970.

GRI standards	FY24	FY23	FY22
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GRI 2: General disclosures

GRI 3: Material topics

3-2	List of material topics		
	List of material topics	Refer to Materiality matrix	CAE started reporting on GRI 3 in FY24. No data available for previous fiscal years.
	Changes to the list of material topics compared to the previous reporting period	Refer to Materiality matrix	

Topic-specific disclosures

GRI 201: Economic performance 2016

201-MT	Topic management disclosures			
	Topic management disclosures	FY24 MD&A, pages 63-67 FY24 Management Proxy Circular	FY23 MD&A, pages 40-60 FY23 Management Proxy Circular	FY22 MD&A, pages 44-60 FY22 Management Proxy Circular

201-1 Direct economic value generated and distributed

Revenues (\$M)	4,282.8	4,010.6 ¹	3,371.3
Operating costs (\$M)	(2,182.5)	(2,074.4) ¹	3,087.1
Employee wages and benefits (\$M)	(1,775.9)	(1,612.4) ¹	CAE started reporting on GRI 201-1 in FY23. No data available for previous fiscal years.
Community investment and charitable donations (\$M) ²	6.0	5.9	7.8
Payments to providers of capital (\$M)	(189.7)	(174.7) ¹	CAE started reporting on new categories related to GRI 201-1 in FY23. For details about our FY22 and FY21 economic performance, refer to page 104 of our FY22 Annual activity and CSR report .
Payments to government (\$M)	(69.7)	(34.7) ¹	
Equity pick-up (\$M)	72.2	53.2	
Other gains (\$M)	(27.9)	22.4 ¹	
Gains on remeasurements and impairments of non-financial assets (\$M) ³	29.6	(4.8) ¹	
Economic value distributed (\$M)	(4,143.9)	(3,825.4) ¹	
Economic value retained (\$M) ⁴	138.9	185.2 ¹	164.9

201-2 Financial implications and other risks and opportunities due to climate change

Financial implications and other risks and opportunities due to climate change	FY24 MD&A, page 45 TCFD	FY23 MD&A, page 54	FY22 MD&A, page 51
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201-3 Defined benefit plan obligations and other retirement plans

Estimated value of the plan's liabilities (\$M) ⁵	33.0 ⁶	40.8	109.7 ⁷
Percentage of salary contributed by employee	3%	4%	CAE started reporting on additional categories related to GRI 201-3 in FY23. No data available for previous fiscal years.
Percentage of salary contributed by employer	7%	9%	
Level of participation in retirement plans	84%	84% ⁷	

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 Includes cash and in-kind donations

3 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.

4 Direct economic value retained excludes cost of sales, R&D expenditures, SG&A expenses, finance expenses and income tax.

5 Value of employee benefits obligations, net of employee benefit assets.

6 Variance between FY23 and FY24 due to favorable returns on pension plan assets.

7 Covers employee participation in Canada and the U.S.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 201: Economic performance 2016

201-4	Financial assistance received from government			
	Funding received from government (\$M)	48.3	45.7	34.1

GRI 202: Market presence 2016

202-MT	Topic management disclosures			
	Topic management disclosures	Refer to Talent management, pages 67-77 and Diversity, equity and inclusion, pages 89-99	FY23 Global Annual Activity and Sustainability report, page 135	FY22 Annual Activity & CSR report, pages 55-62

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	2.98	3	
	Absent or variable minimum wage	Variable minimum wage, including minimum wage of Quebec (Canada) and Dallas (U.S.).	Variable minimum wage, including minimum wage of Quebec (Canada) and Dallas (U.S.).	CAE started reporting on GRI 202-1 in FY23. No data available for previous fiscal years.
	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.	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 community ¹			
	Canada	99%	99%	97%
	U.S.	91%	94%	93%
	Other	75%	83%	82%
	Overall	92%	94%	93%

GRI 203: Indirect economic impacts 2016

203-MT	Topic management disclosures			
	Topic management disclosures	Refer to Community and education, pages 114-123	FY23 Global Annual Activity and Sustainability report, page 168	FY22 Annual Activity & CSR report, pages 83-89

GRI 204: Procurement practices 2016

204-MT	Topic management disclosures			
	Topic management disclosures	Refer to Responsible supply chain management, pages 142-146	FY23 Global Annual Activity and Sustainability report, page 197	FY22 Annual Activity & CSR report, pages 69-70

¹ Senior management includes the following categories: Director, Vice President, Executive Vice President, Division President, Chief Executive Officer.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 204: Procurement practices 2016

204-1	Proportion of spending on local suppliers ¹			
	Percentage of the procurement budget spent on local suppliers–Australia	84%	89%	87%
	Percentage of the procurement budget spent on local suppliers–Asia	68%	75%	65%
	Percentage of the procurement budget spent on local suppliers–Europe	65%	71%	76%
	Percentage of the procurement budget spent on local suppliers–Middle East	79%	86%	84%
	Percentage of the procurement budget spent on local suppliers–North America	67%	71%	67%
	Percentage of the procurement budget spent on local suppliers–South America	43%	88%	87%

GRI 205: Anti-corruption 2016

205-MT	Topic management disclosures			
	Topic management disclosures	Refer to Business ethics, pages 128-132	FY23 Global Annual Activity and Sustainability report, page 80	CAE started reporting on GRI 205 in FY23. No data available for previous fiscal years.

205-1	Operations assessed for risks related to corruption			
	Total number of operations assessed for risks related to corruption	3	4	
	Significant risks related to corruption identified through the risk assessment	Refer to FY24 MD&A– Business Risk and Uncertainty	CAE conducts business in approximately 250 sites and training locations in over 40 countries. Due to the global nature of our operations, CAE is exposed to bribery and corruption risks, including the risk of bribing foreign officials.	CAE started reporting on GRI 205-1 in FY23. No data available for previous fiscal years.

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	12,811	13,217	
	Percentage that the organization's anti-corruption policies and procedures have been communicated to	100%	100%	CAE started reporting on GRI 205-2 in FY23. No data available for previous fiscal years.

205-3	Confirmed incidents of corruption and actions taken			
	Total number of confirmed incidents of corruption	0	0	0
	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery and/or illicit international trade	0	0	0

¹ Organization or person that provides a product or service to the reporting organization based in the same geographic market as the reporting organization (that is, no transnational payments are made). The geographic definition of "local" can include the community surrounding operations or a country. Significant locations of operation is defined by sites with more than 700 employees.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 206: Anti-competitive behavior 2016

206-MT	Topic management disclosures			
	Topic management disclosures	Refer to Business ethics, pages 128-132	FY23 Global Annual Activity and Sustainability report, page 180	FY22 Annual Activity & CSR report, pages 64-71

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
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GRI 207: Tax 2019

207-4 Country-by-country reporting

	Corporate income tax paid on a cash basis (\$M)	69.7 ¹	34.7	CAE started reporting on GRI 207 in FY23. No data available for previous fiscal years.
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GRI 301: Materials 2016

301-MT Topic management disclosures

	Topic management disclosures	Refer to Sustainable products and services, pages 53-56 and Responsible resource use, pages 61-63	FY23 Global Annual Activity and Sustainability report, page 88 and page 105	CAE started reporting on GRI 301 in FY23. No data available for previous fiscal years.
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GRI 302: Energy 2016

302-MT Topic management disclosures

	Topic management disclosures	Refer to Energy consumption, pages 51-52	FY23 Global Annual Activity and Sustainability report, page 88 and page 94	FY22 Annual Activity & CSR report, pages 90-94
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302-1 Energy consumption within the organization

	Total fuel consumption (MWh)	76,284.0	79,177.9	CAE started reporting on new categories of GRI 302-1 in FY23. For details about our FY22 and FY21 energy consumption, refer to page 106 of our FY22 Annual activity and CSR report .
	Aviation fuel consumption (MWh)	54,371.8	58,307.5	
	Renewable aviation fuel consumption (MWh)	0	0	
	Non-renewable aviation fuel consumption (MWh)	54,371.8	58,307.5	
	Total natural gas consumption (MWh)	16,817.3	15,856.0	
	Renewable natural gas consumption (MWh)	0	0	
	Non-renewable natural gas consumption (MWh)	16,817.3	15,856.0	
	Total diesel, heating oil, propane consumption (MWh)	5,095.0	5,014.4	
	Renewable diesel, heating oil, propane consumption (MWh)	0	0	
	Non-renewable diesel, heating oil, propane consumption (MWh)	5,095.0	5,014.4	
	Total electricity consumption (MWh)	204,643.0	201,330.3	
	Renewable electricity consumption (MWh)	200,768.5	197,324.1	
	Non-renewable electricity consumption (MWh)	3,874.5	4,006.2	
	Grid electricity consumption (MWh)	204,627.0	201,135.7	

¹ The increase in FY24 is mainly due to higher prior year tax expense and amounts paid related to current year installments.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 302: Energy 2016

302-1	Energy consumption within the organization			
	Percentage grid electricity consumption	70.3%	69.3%	CAE started reporting on new categories of GRI 302-1 in FY23. For details about our FY22 and FY21 energy consumption, refer to page 106 of our FY22 Annual activity and CSR report .
	Total purchased or acquired heat consumption (MWh)	2,131.0	2,140.2	
	Renewable purchased or acquired heat consumption (MWh)	575.6	520.4	
	Non-renewable purchased or acquired heat consumption (MWh)	1,555.3	1,619.9	
	Total purchased or acquired cooling consumption (MWh)	8,135.1	7,752.9	
	Renewable purchased or acquired cooling consumption (MWh)	0	0	
	Non-renewable purchased or acquired cooling consumption (MWh)	8,135.1	7,752.9	
	Total purchased or acquired steam consumption (MWh)	0	0	
	Renewable purchased or acquired steam consumption (MWh)	0	0	
	Non-renewable purchased or acquired steam consumption (MWh)	0	0	
	Self-generated non-fuel renewable energy consumption (MWh)	16.1 ¹	194.5	
	Total energy consumption (MWh)	291,193.1	290,401.2	
	Total renewable energy consumption (MWh)	201,344.1	197,844.4	
	Percentage renewable energy consumption	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 ²	68.0	69.1	83.3

302-4	Reduction of energy consumption			
	Reduction of energy consumption	Refer to Energy consumption, pages 51-52 and Sustainable products and services, pages 53-56	FY23 Global Annual Activity and Sustainability report, page 84 and page 94	FY22 Annual Activity & CSR report, page 21 and page 129

302-5	Reductions in energy requirements of products and services			
	Reductions in energy requirements of products and services	Refer to Sustainable products and services, pages 53-56	FY23 Global Annual Activity and Sustainability report, page 88	CAE started reporting on GRI 302-5 in FY23. No data available for previous fiscal years.

GRI 303: Water and effluents 2018

303-MT	Topic management disclosures			
	Topic management disclosures	Refer to Responsible resource use, pages 61-63	FY23 Global Annual Activity and Sustainability report, page 105	CAE started reporting on GRI 303 in FY23. No data available for previous fiscal years.

1 Variance between FY23 and FY24 is due to change of operational control over one site and contractual changes with the landlord.
 2 Energy intensity includes: Natural Gas (MWh) Grid Electricity (MWh) Solar Electricity (MWh) Diesel, heating, oil, propane, fuel for aircraft and cars, hot and chilled water and district heating (MWh).

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 303: Water and effluents 2018

303-1	Interactions with water as a shared resource			
	Interactions with water as a shared resource	Refer to Responsible resource use, pages 61-63	FY23 Global Annual Activity and Sustainability report, page 105	CAE started reporting on GRI 303 in FY23. No data available for previous fiscal years.
303-2	Management of water discharge-related impacts			
	Description of any minimum standards set for the quality of effluent discharge and how these minimum standards were determined	CAE complies with mandatory local regulations governing water management and prohibits contaminated water discharge.		
303-3	Water withdrawal			
	Total water withdrawal (m ³)	361,243	321,910 ¹	CAE started reporting on GRI 303 in FY23. No data available for previous fiscal years.

GRI 304: Biodiversity 2016

304-MT	Topic management disclosures			
	Topic management disclosures	Refer to Biodiversity, pages 64-66	FY23 Global Annual Activity and Sustainability report, page 107	CAE started reporting on GRI 304 in FY23. No data available for previous fiscal years.

GRI 305: Emissions 2016

305-1	Direct (Scope 1) GHG emissions			
	Gross direct (Scope 1) GHG emissions (t CO ₂ e)	20,900	22,115 ²	20,039
	Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O, HFCs	CO ₂ , CH ₄ , N ₂ O, HFCs	CAE started reporting on new categories of GRI 305 in FY23. No data available for previous fiscal years.
	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, 2023 - UK Government GHG Conversion Factors for Company Reporting, Version 2.0, June 2023	AR4	
	Consolidation approach for emissions; whether equity share, financial control or operational control	Operational control	Operational control	
	Standards, methodologies, assumptions and/or calculation tools used	GHG Protocol	GHG Protocol	
305-2	Energy indirect (Scope 2) GHG emissions			
	Energy indirect GHG Emissions (Scope 2 location-based) (t CO ₂ e)	57,256	57,114	59,055
	Energy indirect GHG Emissions (Scope 2 market-based) (t CO ₂ e)	3,882	4,254	5,128

1 In FY23, water consumption data was reported under GRI 303-5 instead of the correct GRI 303-3. Also, please note that in our FY23, we inadvertently reported volumes in Mega cubic metres (M m³). The correct unit should have been cubic metres (m³).

2 Increase in FY23 Scope 1 emissions driven by improvements to emissions data capture process for refrigerants usage across CAE sites.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 305: Emissions 2016

305-2	Energy indirect (Scope 2) GHG emissions			
Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	CO ₂ , CH ₄ , N ₂ O		
Source of the emission factors and the GWP rates used, or a reference to the GWP source	AR4	AR4		
<ul style="list-style-type: none"> – GWP values sourced from AR4. – Scope 2 emission factors sources: <ul style="list-style-type: none"> – U.S.: Year 2023 eGRID Subregion Emission Factors, (Source: eGRID 2023, Published Sept 2023) – Australia National Greenhouse Gas Accounts (NGA) Factors, August 2023. – Brazil: Year 2023 factors from the Brazilian Ministry of Science, Technology, Innovation and Communication. Fator médio-Inventários corporativos: Arquivos dos fatores médios de emissão de CO₂ grid mês/ano. – European residual mix factors: AIB 2022 	<ul style="list-style-type: none"> – Canada: National Inventory Report 1990-2021¹, Part 3, Annex 13, Year 2021 factors. From 2023 Release – India: CO₂ factors from India Central Electricity Authority: Baseline Carbon Dioxide Emission Database, Version 19.0, December 2023. – UK: Greenhouse gas reporting: conversion factors 2023. Year 2023 Factors. From June 2023 Release – Uruguay: BEN-Factor de emisión de CO₂ del SIN. Published October 2023. – International Sources: IEA (2022), Emission Factors 		CAE started reporting on new categories of GRI 305 in FY23. No data available for previous fiscal years.	
Consolidation approach for emissions; whether equity share, financial control, or 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		
Biogenic Scope 2 emissions (t CO ₂ e)	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		
Purchased goods and services (t CO ₂ e)	199,124	146,604 ¹	133,737 ¹
Capital goods (t CO ₂ e)	Not applicable in FY24. Capital goods emissions are included in Purchased goods and services category.	2,161 ¹	CAE started reporting on new categories of GRI 305-3 in FY23. For FY22 and FY21 data, refer to our FY22 Annual Activity and CSR report .
Fuel- and energy-related activities (not included in Scope 1 or Scope 2) (t CO ₂ e)	17,450	18,006 ¹	17,608 ¹
Business travel (t CO ₂ e)	17,102	16,038 ¹	9,937 ¹
Employee commuting (t CO ₂ e)	5,114 ³	22,196 ^{1,2}	CAE started reporting on Employee commuting in FY23. No data available for previous fiscal years.
Total Scope 3-partial (t CO ₂ e)	238,790	205,005 ¹	161,281 ¹
Biogenic CO ₂ emissions (t CO ₂ e)	0	0	0
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

1 Following the completion of the sale of its Healthcare business by CAE Inc. on February 16, we restated FY22 and FY23 Scope 3 emissions only, due to the significant amount of carbon emissions generated by this business unit for the categories currently calculated. However, FY22 and FY23 Scope 1 and Scope 2 emissions remain unchanged.

2 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.

3 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.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 305: Emissions 2016

305-3	Other indirect (Scope 3) GHG emissions		
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: <p>Purchased goods and services</p> <ul style="list-style-type: none"> - CDP-reported emissions for relevant suppliers - US EPA EEIO - Ecoinvent <p>Business travel & commuting</p> <ul style="list-style-type: none"> - UK Government GHG Conversion Factors for Company Reporting - EPA Emission Factors for Greenhouse Gas Inventories 	<p>Fuel and energy-related activities</p> <ul style="list-style-type: none"> - Argonne Labs GREET - IEA - Canada National Inventory Report - EPA eGRID - UK Government GHG Conversion Factors for Company Reporting - eGrid- Data Explorer- Grid gross loss rates - Ecoinvent - GHGenius 	
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 GHG emissions (location-based) (t CO ₂ e)	316,946	284,234 ¹	240,375 ¹
Total GHG emissions (market-based) (t CO ₂ e)	263,572	231,374 ¹	186,448 ¹
Total biogenic emissions (t CO ₂ e)	4.6	0 ¹	0 ¹

305-4	GHG emissions intensity		
GHG emission intensity (location-based) (t CO ₂ e / M CAD)	18.3	18.9	CAE started reporting on GRI 305-4 in FY23. No data available for previous fiscal years.
GHG emission intensity (market-based) (t CO ₂ e / M CAD)	5.8	6.3	

305-5	Reduction of GHG emissions		
Description of the initiative	Refer to Decarbonization strategy, pages 47-50	FY23 Global Annual Activity and Sustainability report, page 96	FY22 Annual Activity & CSR report, page 107

305-6	Emissions of ozone-depleting substances (ODS)		
ODS emissions	CAE does not consider ODS as a material risks 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)	0.5	CAE started reporting on GRI 305-7 in FY24. No data available for previous fiscal years.	
SOx (t)	0.0		
Volatile organic compounds (VOCs) (t)	9.3		
Particulate matter (PM) (t)	0.3		

¹ Following the completion of the sale of its Healthcare business by CAE Inc. on February 16, we restated FY22 and FY23 Scope 3 emissions only, due to the significant amount of carbon emissions generated by this business unit for the categories currently calculated. However, FY22 and FY23 Scope 1 and Scope 2 emissions remain unchanged.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 306: Waste 2020

306-MT	Topic management disclosures		
Topic management disclosures	Refer to Responsible resource use, pages 61-63	FY23 Global Annual Activity and Sustainability report, page 105	CAE started reporting on GRI 306 in FY23. No data available for previous fiscal years.
306-1	Waste generation and significant waste-related impacts		
Waste generation and significant waste-related impacts	Refer to Responsible resource use, pages 61-63	FY23 Global Annual Activity and Sustainability report, page 105	CAE started reporting on GRI 306 in FY23. No data available for previous fiscal years.
306-2	Management of significant waste-related impacts		
Management of significant waste-related impacts	Refer to Responsible resource use, pages 61-63	FY23 Global Annual Activity and Sustainability report, page 105	CAE started reporting on GRI 306 in FY23. No data available for previous fiscal years.
306-3	Waste generated ¹		
Amount of hazardous waste generated (t)	63.6	66.0	CAE started reporting on GRI 306 in FY23. No data available for previous fiscal years.
Amount of non-hazardous waste generated (t)	1,112.7	1,179.0	
Total waste generated (t)	1,176.3	1,245.0	
306-5	Waste directed to disposal ²		
Total waste recycled/reused (t)	990.0	1,067.0	CAE started reporting on GRI 306 in FY23. No data available for previous fiscal years.
Total waste disposed (t)	122.0	112.0	
Waste with unknown disposal method (t)	122.0	112.0	
Total hazardous waste recycled/reused (t)	42.2	0	
Hazardous waste with unknown disposal method (t)	0	66	
Hazardous waste landfilled (t)	23.0	N/A	
Total hazardous waste disposed (t)	65.2	66.0	

GRI 308: Supplier environmental assessment 2016

308-MT	Topic management disclosures		
Topic management disclosures	Refer to Sustainable sourcing, pages 57-60 and Responsible supply chain management, pages 142-147	FY23 Global Annual Activity and Sustainability report, page 102 and page 197	FY22 Annual Activity & CSR report, page 93

1 The reported data is for our Montreal facility only.

2 The reported data is for our Montreal facility only. The non-hazardous waste is disposed and recycled with authorized waste disposable companies, in compliance with applicable regulations.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 308: Supplier environmental assessment 2016

308-1	New suppliers that were screened using environmental criteria		
Number of new supplier screened using environmental criteria ¹	13	ESG criteria were implemented in March 2023 in the RFP process. Refer to Sustainable sourcing, pages 102-104 and Responsible supply chain management, pages 197-204	CAE started reporting on GRI 308-1 in FY23. No data available for previous fiscal years.
Percentage of new strategic direct suppliers who have gone through an ESG screening ²	100%		
Percentage of new supplier screened using environmental criteria	5.7%		

308-2	Negative environmental impacts in the supply chain and actions taken		
Number of suppliers assessed for environmental impacts	90	No suppliers had a negative environmental impact.	CAE started reporting on GRI 308-2 in FY23. No data available for previous fiscal years.
Number of suppliers identified as having significant actual and potential negative environmental impacts	0		

GRI 401: Employment 2016

401-MT	Topic management disclosures		
Topic management disclosures	Refer to Talent management, pages 67-77	FY23 Global Annual Activity and Sustainability report, page 102	FY22 Annual Activity & CSR report, pages 55-62

401-1	New employee hires		
Total number of employee hires	2,050	2,759	2,322
New employee hire rate (% of total employees)	15.8%	21%	17%

401-1	New employee hires, by age group		
Below 30 years old	626 / 30.5%	867 / 31%	495 / 21%
30-50 years old	1,038 / 50.6%	1,351 / 49%	1,231 / 53%
Over 50 years old	386 / 18.3%	541 / 20%	596 / 26%

401-1	New employee hires, by gender ³		
Women (%)	24.9%	26.4%	CAE started reporting on new employee hires, by gender in FY23. No data available for previous fiscal years.
Men (%)	75.0%	73.6%	

1 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 centers are in the process of being deployed.

2 Strategic suppliers are 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 would cause a direct impact either on CAE's ability to satisfy customer demands for new products or on aftermarket requirements.

3 Employees who do not identify as women or men represent 0.05% of new hires in FY24.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 401: Employment 2016

401-1	New employee hires, by region			CAE started reported on new categories of GRI 401 in FY23. No data available for previous fiscal years.	
	Quebec	464 / 22.6%	628 / 23%		
	Rest of Canada	81 / 4.0%	129 / 5%		
	U.S.	749 / 36.5%	1,106 / 40%		
	South America	59 / 2.9%	47 / 2%		
	Europe, Middle East, Africa (EMEA)	475 / 23.2%	600 / 22%		
	Asia-Pacific (APAC)	222 / 10.8%	249 / 9%		
401-1	Employee turnover			CAE started reporting on new categories of GRI 401 in FY23. No data available for previous fiscal years.	
	Voluntary turnover	1,108 / 8.5%	1,529 / 12.0%		
	Involuntary turnover	941 / 7.2%	416 / 3.3%		
	Total turnover	2,049 / 15.8%	1,945 / 15.2%		2,351 / 20.6%
401-1	Employee turnover, by age group				
	Below 30 years old	328 / 2.5%	428 / 3.4%		433 / 25%
	30-50 years old	955 / 7.3%	956 / 7.5%		1,132 / 19%
401-1	Employee turnover, by gender				
	Women	458 / 15.0%	472 / 16.1%		532 / 19%
401-1	Employee turnover, by region				
	Men	1,590 / 16.0%	1,473 / 15.0%		1,819 / 18%
401-1	Employee turnover, by region			CAE started reporting on new categories of GRI 401 in FY23. No data available for previous fiscal years.	
	Quebec	300 / 2.3%	355 / 2.7%		
	Rest of Canada	98 / 0.8%	76 / 0.6%		
	U.S.	1,140 / 8.8%	927 / 7.2%		
	South-America	25 / 0.2%	26 / 0.2%		
	Europe, Middle East, Africa (EMEA)	328 / 2.5%	425 / 3.3%		
	Asia-Pacific (APAC)	158 / 1.2%	136 / 1.0%		

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 401: Employment 2016

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			
	Definition used for 'significant locations of operation'	Sites with more than 700 employees		
	Canada Benefits provided to full-time employees that are not provided to temporary or part-time employees	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.		CAE started reporting on GRI 401-2 in FY23. No data available for previous fiscal years.
	U.S. Benefits provided to full-time employees that are not provided to temporary or part-time employees	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.		
	U.K. Benefits provided to full-time employees that are not provided to temporary or part-time employees	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. If the temporary contract is longer than six months, we offer the ESPP.		

401-3	Parental leave¹			
	Total number of employees that were entitled to parental leave	Women	3,028	CAE started reporting on GRI 401-3 in FY24
		Men	9,778	
	Total number of employees that took parental leave	Women	142	
		Men	555	
	Total number of employees that returned to work in the reporting period after parental leave ended	Women	63	
		Men	354	
	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Women	59	
		Men	300	
	Return to work rate of employees that took parental leave	Women	100%	
		Men	100%	
	Retention rate of employees that took parental leave	Women	98.3%	
		Men	98.7%	

GRI 402: Labor/management relations 2016

402-MT	Topic management disclosures			
	Topic management disclosures	Refer to Talent management, pages 67-77	FY23 Global Annual Activity and Sustainability report, page 109	CAE started reporting on GRI 402 in FY23. No data available for previous fiscal years.

GRI 403: Occupational health and safety 2018

403-MT	Topic management disclosures			
	Topic management disclosures	Refer to Occupational health and safety, pages 78-81	FY23 Global Annual Activity and Sustainability report, page 123	FY22 Annual Activity & CSR report, pages 51-55
403-1	Occupational health and safety management system			
	Occupational health and safety management system	Refer to Occupational health and safety, pages 78-81 and Site certifications, pages 149-156	FY23 Global Annual Activity and Sustainability report, page 123 and page 206	FY22 Annual Activity & CSR report, pages 96-100

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	FY24	FY23	FY22
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Topic-specific disclosures

GRI 403: Occupational health and safety 2018

403-2	Hazard identification, risk assessment and incident investigation			
	Hazard identification, risk assessment and incident investigation	Refer to Occupational health and safety, pages 78-81	FY23 Global Annual Activity and Sustainability report, page 123	FY22 Annual Activity & CSR report, pages 51-55
	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, pages 78-81	As part of our integrated EH&S Management System, CAE has various processes to identify risks and hazards on a routine and non-routine basis. Depending on the task, these may be documented risks analysis, permits to work or checklist.	
			FY23 Global Annual Activity and Sustainability report, page 123	FY22 Annual Activity & CSR report, page 52
	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, pages 78-81	FY23 Global Annual Activity and Sustainability report, page 123	FY22 Annual Activity & CSR report, page 52
	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, pages 78-81	FY23 Global Annual Activity and Sustainability report, page 123	FY22 Annual Activity & CSR report, page 52
	Description of the processes used to investigate work-related incidents			
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, pages 78-81	FY23 Global Annual Activity and Sustainability report, page 123	FY22 Annual Activity & CSR report, pages 51-55
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, pages 78-81	FY23 Global Annual Activity and Sustainability report, page 123	FY22 Annual Activity & CSR report, pages 51-55
403-6	Promotion of worker health			
	Description of workers' access to non-occupational medical and healthcare services, and the scope of access provided ¹	Refer to Talent management, pages 67-77	FY23 Global Annual Activity and Sustainability report, page 109 and page 121	CAE started reporting on GRI 403-6 in FY23. No data available for previous fiscal years.
	Description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	All contractors whose work is governed by CAE have to follow our EH&S processes. Refer to Occupational health and safety, pages 78-81	FY23 Global Annual Activity and Sustainability report, page 123	CAE started reporting on GRI 403-7 in FY23. No data available for previous fiscal years.
403-8	Workers covered by an occupational health and safety management system			
	Number employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system	15,849	16,376	CAE started reporting on GRI 403-8 in FY23. No data available for previous fiscal years.
	Percentage of all employees and workers who are not employees	100%	100%	

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.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 403: Occupational health and safety 2018

403-9 Work-related injuries

Number of employee fatalities as a result of work-related injury	0	0	0
Rate of employee fatalities as a result of work-related injury (x 200,000 h)	0	0	0
Number of employee fatalities as a result of work-related injury (live flight training)	0	0	0
Rate of employee fatalities as a result of work-related injury (live flight training) (x 200,000 h)	0	0	0
Number of contractor fatalities as a result of work-related injury	1 ¹	0	0
Number of High-consequence work-related injuries (excluding fatalities)–employees	2 ²	0	1
Rate of High-consequence work-related injuries (excluding fatalities)–employees	0.01	0	0.01
Number of recordable work-related injuries–employees	51	56	52
Rate of recordable work-related injuries–employees	0.34	0.38	CAE started reporting on new categories of GRI 403-9 in FY23. No data for previous fiscal years.
Struck against	8%	This category does not apply in FY23.	10%
Falls, slips, trips	24%	36%	27%
Ergonomics injuries	14%	21%	27%
Hand injuries	27%	13%	20%
Eye injuries, foreign body or particle	14%	This category does not apply in FY23 and FY22.	
Other	13%	30%	This category does not apply in FY22.
Total number of hours worked by all employees (h)	30,072,181.00 ³	25,936,607.00	CAE started reporting on new categories of GRI 403 in FY23. No data for previous fiscal years.
Number of observations of hazardous situations	1,201	1,071	588
Rate of observations of hazardous situations	7.99	7.26	4.67

403-10 Work-related ill health

Number of fatalities as a result of work-related ill health	0	0	CAE started reporting on GRI 403-10 in FY23. No data available for previous fiscal years.
Number of cases of recordable work-related ill health	0	0	
Common types of work-related ill health	None reported in FY24	None reported in FY23	
Work-related hazards that pose a risk of ill health	Working with chemicals would represent CAE's main work-related hazard. However, given the nature its operations, the likelihood of this hazard materializing would be very low.		
Actions taken or underway to eliminate these hazards and minimize risks	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 personnel are assigned to these tasks.		

- 1 A comprehensive review of safety measures and training programs has been conducted for contractors working in airport environments. Contracts have been revised to ensure that rules have been acknowledged, understood and applied at all times.
- 2 Incidents resulting in over six months of lost time were thoroughly investigated to identify root causes and corrective measures have been implemented.
- 3 Please note that hours worked by Healthcare employees are included in this indicator.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 404: Training and education 2016

404-MT	Topic management disclosures			
	Topic management disclosures	Refer to Talent management, pages 67-77	FY23 Global Annual Activity and Sustainability report, page 114	CAE started reporting on GRI 404 in FY23. No data available for previous fiscal years.
404-1	Average hours of training per year per employee¹			
	Total number of training hours provided to employees (h)	11,997		CAE started reporting on GRI 404 in FY23. No data available for previous fiscal years.
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, pages 67-77	FY23 Global Annual Activity and Sustainability report, page 109 and page 114	CAE started reporting on GRI 404 in FY23. No data available for previous fiscal years.
	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, 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			
	Total number of employees who received a regular performance and career development review	11,641 ²	11,793 ²	CAE started reporting on GRI 404 in FY23. No data available for previous fiscal years.

GRI 405: Diversity and equal opportunity 2016

405-MT	Topic management disclosures			
	Topic management disclosures	Refer to Diversity, equity and inclusion, pages 89-99	FY23 Global Annual Activity and Sustainability report, page 135	CAE started reporting on GRI 405 in FY23. No data available for previous fiscal years.
405-1	Diversity of governance bodies and employees			
	Women serving as Board members	5 / 38%	4 / 31%	CAE started reporting on GRI 405 in FY23. No data available for previous fiscal years.
	Visible minorities serving as Board members	1 / 8%	1 / 8%	
	Board members who self identify as both women and members of an underrepresented racial or ethnic group	0	0	
	LGBTQ+ Board members	1 / 8%	1 / 8%	
	Number of Indigenous Peoples on the Board	0	0	
	Number of people with a disability on the Board	0	0	
	Number of Board members—Under 30 years old	0	0	
	Number of Board members—30-50 years old	0	0	
	Number of Board members—Above 50 years old	13 / 100%	13 / 100%	

1 The data on employee training hours is derived exclusively from LinkedIn Learning. It does not account for other forms of professional development such as paid educational leave, external training subsidized by the organization, or internal trainings conducted outside of e-learning platforms. CAE is committed to enhancing its data reporting practices and aims to provide more robust data in the future.

2 The number of employees receiving regular performance and career development reviews represents all regular employees of CAE, excluding certain employees on specific compensation grades and part of certain specific legal entities from CAE Inc. FY23 data was restated to reflect that methodological change completed in FY24.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 405: Diversity and equal opportunity 2016

405-1 Employees by employment category, by gender ¹			
Senior executive	Women	3 / 27.3%	3 / 27.3%
	Men	8 / 72.7%	8 / 72.7%
Executive	Women	12 / 25.5%	12 / 25.0%
	Men	35 / 74.5%	36 / 75.0%
Director	Women	44 / 21.5%	44 / 21.0%
	Men	161 / 78.5%	166 / 79.0%
Manager	Women	364 / 24.0%	341 / 23.2%
	Men	1,153 / 76.0%	1,129 / 76.8%
Staff	Women	2,605 / 23.6%	2,685 / 23.3%
	Men	8,421 / 76.4%	8,791 / 76.6%

CAE started reporting on GRI 405 in FY23. No data available for previous fiscal years.

405-1 Employees by employment category, by age group ²			
Senior executive	Under 30 years old	0	0
	30-50 years old	4 / 36.4%	4 / 36.4%
	Over 50 years old	7 / 63.6%	7 / 63.6%
Executive	Under 30 years old	0	0
	30-50 years old	25 / 53.2%	23 / 47.9%
	Over 50 years old	22 / 46.8%	25 / 52.1%
Director	Under 30 years old	0	0
	30-50 years old	114 / 55.6%	112 / 53.3%
	Over 50 years old	91 / 44.4%	98 / 46.7%
Manager	Under 30 years old	34 / 2.2%	35 / 2.4%
	30-50 years old	914 / 60.3%	877 / 59.7%
	Over 50 years old	569 / 37.5%	558 / 38.0%
Staff	Under 30 years old	1,936 / 17.6%	1,850 / 16.1%
	30-50 years old	5,363 / 48.7%	5,629 / 49.0%
	Over 50 years old	3,732 / 33.9%	3,999 / 34.8%

CAE started reporting on GRI 405 in FY23. No data available for previous fiscal years.

405-2 Ratio of basic salary and remuneration of women to men			
Senior executive	Canada	0.3	0.3
	U.S.	1.2	1.6
Executive	Canada	0.8	0.8
	U.S.	0.8	1.0
Director	Canada	1.0	1.0
	U.S.	1.0	1.1

CAE started reporting on GRI 405 in FY23. No data available for previous fiscal years.

¹ The percentage previously reported in FY23 as a proportion of all CAE employees has been revised. It now reflects the proportion of employees by gender, by employment category, to provide a more granular and accurate representation of our workforce diversity.

² The percentage previously reported in FY23 as a proportion of all CAE employees has been revised. It now reflects the proportion of employees by age group, by employment category, to provide a more granular and accurate representation of our workforce diversity.

GRI standards	FY24	FY23	FY22
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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			CAE started reporting on GRI 405 in FY23. No data available for previous fiscal years.
Manager	Canada	0.97	0.98	
	U.S.	0.92	1.02	
Staff	Canada	0.94	0.96	
	U.S.	0.80	0.78	
All employees	Canada	0.24	0.36	
	U.S.	1.02	1.29	
Overall ratio of basic salary and remuneration of women to men		0.83 ¹	0.94	

GRI 406: Non-discrimination 2016

406-MT	Topic management disclosures			
Topic management disclosures	Refer to Human rights, pages 100-103, Diversity, equity and inclusion, pages 89-99 and Business ethics, pages 128-132	FY23 Global Annual Activity and Sustainability report, page 135, page 147 and page 180	FY22 Annual Activity & CSR report, page 68	

406-1 Incidents of discrimination and corrective actions taken

Total number of complaints of discrimination during the reporting period	8 ²	8 ³	CAE started reporting on GRI 406 in FY23. No data available for previous fiscal years.
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GRI 407: Freedom of association and collective bargaining 2016

407-MT	Topic management disclosures			
Topic management disclosures	Refer to Human rights, pages 100-103	FY23 Global Annual Activity and Sustainability report, page 147	CAE started reporting on GRI 407 in FY23. No data available for previous fiscal years.	

GRI 408: Child labor 2016

408-MT	Topic management disclosures			
Topic management disclosures	Refer to Human rights, pages 100-103	FY23 Global Annual Activity and Sustainability report, page 147	FY22 Annual Activity & CSR report, page 67	

GRI 409: Forced or compulsory labor 2016

409-MT	Topic management disclosures			
Topic management disclosures	Refer to Human rights, pages 100-103	FY23 Global Annual Activity and Sustainability report, page 147	FY22 Annual Activity & CSR report, page 67	

GRI 410: Security practices 2016

410-MT	Topic management disclosures			
Topic management disclosures	Refer to Human rights, pages 100-103	FY23 Global Annual Activity and Sustainability report, page 147	CAE started reporting on GRI 410 in FY23. No data available for previous fiscal years.	

¹ A higher representation of male recruits in Canada and male-dominated departures in the US, influenced the gender-based remuneration ratios during the reporting period.

² In FY24, CAE handled 32 whistleblowing reports, of which eight contained allegations of discrimination and/or harassment.

³ In FY23, CAE handled 41 whistleblowing reports, of which eight contained allegations of discrimination.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 411: Rights of Indigenous Peoples 2016

411-MT	Topic management disclosures			
	Topic management disclosures	Refer to Diversity, equity and inclusion, pages 89-99	FY23 Global Annual Activity and Sustainability report, page 135	CAE started reporting on GRI 411 in FY23. No data available for previous fiscal years.
411-1	Incidents of violations involving rights of Indigenous Peoples			
	Total number of identified incidents of violations involving the rights of Indigenous Peoples during the reporting period	0	0	CAE started reporting on GRI 411 in FY23. No data available for previous fiscal years.

GRI 413: Local communities 2016

413-MT	Topic management disclosures			
	Topic management disclosures	Refer to Community and education, pages 114-123	FY23 Global Annual Activity and Sustainability report, page 168	FY22 Annual Activity & CSR report, pages 82-89

GRI 414: Supplier social assessment 2016

414-MT	Topic management disclosures			
	Topic management disclosures	Refer to Responsible supply chain management, pages 142-147	FY23 Global Annual Activity and Sustainability report, page 197	CAE started reporting on GRI 414 in FY23. No data available for previous fiscal years.

GRI 414: Supplier social assessment 2016

414-1	New suppliers that were screened using social criteria			
	Number of new supplier screened using environmental and social criteria	13	No data available for FY23 due to relevant criteria being implemented into specific sourcing process concomitantly with end of reporting period	CAE started reporting on GRI 414 in FY23. No data available for previous fiscal years.
414-2	Negative social impacts in the supply chain and actions taken			
	Number of suppliers assessed for social impacts	90	CAE identified one supplier in potential violation of the Supplier Code of Conduct. CAE has taken the appropriate remediation action following completion of its assessment.	CAE started reporting on GRI 414 in FY23. No data available for previous fiscal years.
	Number of suppliers identified as having significant actual and potential negative social impacts	1		
	Number of suppliers identified as having significant actual and potential negative social impacts	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	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%		
	Type of action taken	Refer to Human rights, pages 100-103		

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 415: Public policy 2016

415-MT	Topic management disclosures			
	Topic management disclosures	Refer to Business ethics, pages 128-132	FY23 Global Annual Activity and Sustainability report, page 180	FY22 Annual Activity & CSR report, pages 64-71

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, pages 78-81	FY23 Global Annual Activity and Sustainability report, page 123	FY22 Annual Activity & CSR report, pages 51-55

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			
	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	0	0	CAE started reporting on GRI 416 in FY23. No data available for previous fiscal years.

CUS 001	Flight safety–Civil			
	Number of voluntary reports per 10,000 flight hours–Civil	64	71	CAE started reporting separately for Civil and D&S in FY23. Please refer to page 113 for consolidated data in our FY22 Annual activity and CSR report .
	Number of Category A and B incidents per 10,000 flight hours–Civil	3 ¹	0	
	Acceptable Level of Safety Performance (ALoSP) for ab initio training centres–Civil	82	69	
	Acceptable Level of Safety Performance (ALoSP) for non ab initio training centres–Civil	75	75	

CUS 002	Flight safety–Defense & Security			
	Number of voluntary reports per 10,000 flight hours – Defense & Security	46	55.5	CAE started reporting separately for Civil and D&S in FY23. Please refer to page 113 for consolidated data in our FY22 Annual activity and CSR report .
	Number of Category A and B incidents per 10,000 flight hours– Defense & Security	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 regulations resulting in a fine or penalty	0	0	CAE started reporting on GRI 417 in FY23. No data available for previous fiscal years.
	Incidents of non-compliance with regulations resulting in a warning	0	0	
	Incidents of non-compliance with voluntary codes	0	0	
	Total number of incidents of non-compliance	0	0	

¹ 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.

GRI standards	FY24	FY23	FY22
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Topic-specific disclosures

GRI 417: Marketing and labeling 2016

417-3 Incidents of non-compliance concerning marketing communications

Incidents of non-compliance with regulations resulting in a fine or penalty	0	0	CAE started reporting on GRI 417 in FY23. No data available for previous fiscal years.
Incidents of non-compliance with regulations resulting in a warning	0	0	
Incidents of non-compliance with voluntary codes	0	0	
Total number of incidents	0	0	

GRI 418: Customer privacy 2016

418-MT Topic management disclosures

Topic management disclosures	Refer to Business ethics, pages 128-132	FY23 Global Annual Activity and Sustainability report, page 180	FY22 Annual Activity & CSR report, pages 64-71
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418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Number of complaints received from outside parties and substantiated by the organization	No substantiated complaints have been identified	CAE started reporting on GRI 418-1 in FY23. No data available for previous fiscal years.
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SASB Index

Due to the closing of the sale of its Healthcare business by CAE Inc. on February 16, all data related to the Healthcare division has been excluded.

		FY24	FY23	FY22	Full or partial match
Environment					
Energy management					
RT-AE-130a.1	1. Total energy consumed (GJ)	1,048,295	1,045,444	1,011,189	Full
	2. Percentage grid electricity	70.3%	69.3%	68.4%	
	3. Percentage renewable	69.1% ¹	68.1% ¹	66.3%	
Hazardous waste management					
RT-AE-150a.1	Amount of hazardous waste generated, percentage recycled (t) ²	63.6	66.0	CAE started reporting on RT-AE-150a.1 in FY23. No data available for previous fiscal years.	Full
RT-AE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	0	0	Not reported. The nature of our activities is such that the issue of hazardous waste management is not material for reporting purposes.	Full
Social capital					
Data security					
RT-AE-230a.1	Number of data breaches	2 ³	0	0	Full
RT-AE-230a.2	Description of approach to identifying and addressing data security risks in (1) organization operations and (2) products 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. Refer to Data privacy, pages 133-136			Full
			FY23 Global Annual Activity & Sustainability report, page 187	FY22 Annual Activity & CSR report, pages 65 and 68	
SV-PS-230a.3	Number of data breaches	2 ³	0	0	Full
	Percentage of data breaches involving customers' confidential business information (CBI) or personally identifiable information (PII)	100%	0%	0%	
SV-PS-230a.2	Description of policies and practices relating to collection, usage and retention of customer information	Refer to Data privacy, pages 133-136	FY23 Global Annual Activity & Sustainability report, page 187	FY22 Annual Activity & CSR report page 64	Full

1 Includes purchased Energy Attribute Certificates (EACs).

2 The reported data is for our Montreal facility only.

3 All cybersecurity incidents and data breaches are handled as per our Cybersecurity and Privacy Incident Response Plans. All CAE employees are required to report cybersecurity incidents and data breaches as soon as they are discovered, whether they are suspected or confirmed. Once discovered, immediate steps must be taken to contain a cybersecurity incident or data breach. Prompt actions must also be taken to comply with applicable data breach reporting obligations under law or under our contracts with customers. For the two incidents identified above, the process described in our incident response plans were followed and measures were implemented to ensure that risks were mitigated for our customers.

	FY24	FY23	FY22	Full or partial match
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Social capital

Product safety

RT-AE-250a.1	Number of recalls issued	Not reported. 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 GRI 403-9 and SASB RT-AE-250a.3	Not reported. 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 FY23 Global Annual Activity & Sustainability report, GRI index page 242	Not reported. 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 FY22 Annual Activity & CSR report, GRI index page 113	N/A
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RT-AE-250a.2	Number of counterfeit parts detected, percentage avoided				
	Number of counterfeit parts detected ²	0	0	Not reported. 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 FY22 Annual Activity & CSR report, GRI index page 113	N/A
	Percentage of counterfeit parts detected that were avoided	0%	0%		N/A

RT-AE-250a.3	Number of Airworthiness Directives received—Civil ³	1	7	FY22 Annual Activity & CSR report, GRI index page 116	Full
	Total units affected—Civil	11	17		
	Number of Airworthiness Directives received—D&S	1	0		
	Total units affected—D&S	4	0		
	Number of Airworthiness Directives received—Total	2 Refer to Aviation safety, pages 82-88	7		
	Total units affected—Total ³	15	17		

RT-AE-250a.4	Total amount of monetary losses as a result of legal proceedings associated with product safety	0	0	0	Full
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Human capital

Workforce diversity & engagement

SV-PS-330a.2	1. Involuntary turnover rate for employees	7.2%	3.3% ⁴	13%	Full
	2. Voluntary turnover rate for employees	8.5%	12.0% ⁴	6%	

SV-PS-330a.3	Employee engagement as a percentage ⁵	77%	76%	76%	Full
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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.
 5 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.

	FY24	FY23	FY22	Full or partial match
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Business model & innovation

Fuel economy & emissions in use-phase

RT-AE-410a.1	Revenue from alternative energy-related products	0	0	0	Full
RT-AE-410a.2	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products	Refer to Decarbonization strategy, Sustainable products and services, Carbon impact and Energy consumption	FY23 Global Annual Activity & Sustainability report, pages 88 page 96	CAE was carbon neutral on Scope 1 and 2 emissions and on the part of Scope 3 related to business air travels by employees. Carbon neutrality has been achieved by continuing to focus on emissions reductions and through the purchase of RECs and carbon offset credits for our remaining annual carbon emissions. However, carbon reduction remains our top priority and CAE is pursuing a decarbonization strategy organized in four streams: green buildings, simulators and products upgrades, electric aircraft and green sourcing. FY22 Annual activity & CSR report, page 90	Full

Materials sourcing

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.	Not reported. The nature of our activities is such that the issue of critical materials sourcing is not material for reporting purposes.	Partial
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Leadership & governance

Business ethics

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 ¹	0	0	0	Full
RT-AE-510a.2	Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defence Anti-Corruption Index	\$151,027,934 ²	\$160,180,898 ³	\$325,672,031 ⁴	Full
RT-AE-510a.3	Description of the management system for prevention of corruption and bribery throughout the value chain	Refer to Business ethics, pages 128-132	FY23 Global Annual Activity & Sustainability report, pages 180	Discussion of processes to manage business ethics risks throughout the value chain. FY22 Annual Activity & CSR report, page 64	Full

1 CAE has in place an ethics and anti-corruption program 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 The financial data for FY24 includes revenues from a selection of countries that are ranked in the E or F Band of the Transparency International's Government Defence Anti-Corruption Index. This includes the following countries: Brazil, Egypt, Qatar, Saudi Arabia, Thailand and the UAE. These countries collectively represent approximately 3.5% of our total FY24 revenue. Please note that Healthcare revenue is not included.

3 The financial data reported for FY23 has been restated to reflect the sale of Healthcare. It includes revenues from a selection of countries that are ranked in the E or F Band of the Transparency International's Government Defence Anti-Corruption Index. This includes the following countries: Brazil, Egypt, Saudi Arabia, Thailand and the UAE. These countries collectively represent approximately 4% of our total revenue. Please note that this is a restatement of previously reported figures.

4 Countries ranked in the "E" or "F" Band of Transparency International's Government Defence Anti-Corruption Index include: Afghanistan, Brazil, China, Ethiopia, Jordan, Lebanon, Nigeria, Pakistan, Rwanda, Saudi Arabia, Sri Lanka, the UAE, Thailand, Algeria, Bahrain, Egypt, Iraq, Kuwait and Oman.

		FY24	FY23	FY22	Full or partial match
Leadership & governance					
Professional integrity					
SV-PS-510a.1	Description of approach to ensuring professional integrity	Refer to Business ethics, pages 128-132	FY23 Global Annual Activity & Sustainability report, pages 180	Discussion of processes to manage business ethics risks throughout the value chain. FY22 Annual Activity & CSR report, page 64	Full
SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	0	0	0	Full
Activity metrics					
RT-AE-000.A	Production by reportable segment				
	Annual production -Civil (number of simulator delivered)	47	46	30	Full
RT-AE-000.B SV-PS-000.A	Number of employees by: Full-time and part-time				
	Total number of employees	12,811	13,217	FY22 Annual Activity & CSR report, page 119	Full
	Full-time	12,497	12,906		
	Part-time	314	311		
SV-PS-000.B	Employee hours worked				
	Total number of hours worked by all employees (h)	30,072,181	25,936,607	CAE started reporting on SASB SV-PS-000.B in FY23. No data available for previous fiscal years.	Full



Gender equality indicators

KPI	FY24
Representation of women in leadership	
Percentage of women on the board	38% Following CAE's Annual General Meeting on August 9, 2023, the total of women Directors has increased to five (5) out of thirteen (13) (i.e., 38%). FY24 Management Proxy Circular
Chairperson is a woman	No – Alan N. MacGibbon is the Chair of the Board
Gender balance in board leadership Percentage of the various committees of the board of directors chaired/co-chaired by a woman.	100% CAE has three board of directors committees, all of which are chaired by women. <ul style="list-style-type: none"> › Chair of the HR committee: Mary Lou Maher (woman) Ms. Maher succeeded Hon. Michael M. Fortier as the Chair of the HR committee after the end of the 2023 Special Shareholders Meeting. FY24 Management Proxy Circular › Chair of the Governance committee: Margaret S. (Peg) Billson (woman) › Chair of the Audit committee: Marianne Harrison (woman) FY24 Annual Information Form
Chief Executive Officer (CEO) is a woman	No – Marc Parent is President and Chief Executive Officer
Chief Financial Officer (CFO) or equivalent is a woman	Yes – Sonya Branco is Vice President, Finance and Chief Financial Officer
Percentage of women executive officers	27.3% FY24 Management Proxy Circular, page 45
Chief Sustainability Officer is a woman	Yes – Hélène V. Gagnon is Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement
Chief Technology and Product Officer is a woman	Yes – Abha Dogra is Chief Technology and Product Officer
Chief Diversity, Equity & Inclusion Officer (CDO) is a woman	Yes – Pascale Alpha is Global Head of Diversity, Equity and Inclusion–Strategy and Indigenous Relations
Talent	
Percentage of women in total management	23.8%
Percentage of women in senior management	22.4%
Percentage of women in middle management	24.0%
Percentage of women in non-managerial positions	23.6%
Percentage of women in total workforce	23.6%
Percentage of women total promotions	25.6%

KPI	FY24
Talent	
Percentage of women working in STEM <i>(IT, Engineering/product development and Digital accelerator)</i>	15.3%
Percentage of new hires are women	24.9%
Percentage of women attrition	22.3%¹
Time-bound action plan with targets to increase the representation of women in leadership positions	<p>Yes</p> <p>By FY25, we committed to increasing leadership diversity (<i>gender, Indigenous Peoples and members of visible minorities</i>) by 2% from 31% to 33%</p> <p>Refer to Diversity, equity & inclusion, page 99</p> <p>By FY25, we committed to having at least 33% of executive officers and 40% of Directors form part of certain diversity groups (<i>including women, persons with disabilities, Indigenous Peoples, members of visible minorities and the LGBTQ2+ community</i>)</p> <p>Refer to Corporate governance, page 127</p>
Time-bound action plan with targets to increase the representation of women in the company	<p>Yes</p> <p>We have committed to developing a new hire diversity baseline and setting gender diversity objectives for subsequent years. In addition, we have committed to increasing representation of gender diversity amongst high-potential employees by 3% from 29% to 32%</p> <p>Refer to Diversity, equity & inclusion, page 99</p>
Pay	
Adjusted mean gender pay gap	6.2%
	We use 7 countries that represent 86.5% of CAE's workforce and do a weighted average by level.
Global mean (average) raw gender pay gap	19.5%²
Time-bound action plan to close its gender pay gap	<p>We have committed to decreasing the gender pay gap in CAE's locations representative of 80% of its workforce by FY28.</p> <p>Refer to Talent management, page 77</p>
Executive compensation linked to gender diversity or diversity, equity and inclusion (DEI)	<p>In FY23, we tied ESG to CAE executive compensation. CAE executives now have individual ESG objectives, with diversity as the common objective for all executives.</p> <p>FY24 Management Proxy Circular, page 72</p>

¹ Represents percentage of women employees that left the company, of the total employees that left the company.

² The higher representation of male recruits globally, coupled with male-dominated departures in various regions, notably the U.S, influenced the change in the global mean raw gender pay gap during the reporting period

KPI

FY24

Inclusive culture

Number of weeks of fully paid primary parental leave offered

CAE's Global Parental Leave Policy offers caregivers the opportunity to take up to eight (8) weeks of fully paid parental leave within the first fifty-two (52) weeks after the birth, adoption or placement for adoption of a child under age eighteen (18) that occurs during active employment.

- > Global minimum: up to 8 weeks
- > Employees in Canada: 26 weeks (*mothers only*)
- > Duration varies by country as per local laws and regulations

Number of weeks of fully paid secondary parental leave offered

CAE's Global Parental Leave Policy offers caregivers the opportunity to take up to eight (8) weeks of fully paid parental leave within the first fifty-two (52) weeks after the birth, adoption or placement for adoption of a child under age eighteen (18) that occurs during active employment.

- > Global minimum: up to 8 weeks

Parental leave retention rate (*Women / Men*)¹

98.33% / 98.68%

Back-up family care services or subsidies through the company

No

Flexible working policy

Yes – Refer to [Talent management, page 69](#)

Employee resource groups for women

Yes – Refer to [Diversity, equity & inclusion, page 91](#)

Unconscious bias training

Yes – CAE offers multiple training resources under categories such as DE&I fundamentals, unconscious bias and microaggressions, inclusive leadership and inclusive hiring.

Annual anti-sexual harassment training

Yes – Anti-sexual harassment training is part of CAE's Code of Business Conduct training.

¹ The data reported only covers our employees located in Canada and in the US, representing more than 70% of our total employees.

Task Force on Climate-related Financial Disclosures reporting

Considering that climate change presents a systemic issue and a financial risk affecting enterprise value, investors and other capital market participants are seeking increased transparency on climate-related risks and opportunities so that they may make informed financial decisions.

In 2015, the Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosures (TCFD). Released in June 2017 as a tool to facilitate this transparency, the recommendations of the TCFD were used to increase the quality information on the impacts of climate change reported by corporates. They are voluntary, consistent climate-related financial risk and opportunity disclosures for the use of companies in providing information to investors, lenders, insurers and other stakeholders.

As part of our commitment to carbon neutrality, CAE began to comprehensively address climate change risks in FY20. Our Climate Change Committee (CCC), whose ultimate purpose is to oversee the integration of climate-related issues into CAE’s business strategy, and to identify and manage risks and opportunities, was mandated to conduct a full assessment of climate-related risks and opportunities.

We believe that reporting practices bring discipline and accountability that enhance CAE’s ability to manage our key business issues and execute our strategy, which led us to implement TCFD disclosure recommendations as part of our reporting practices in 2020.

In October 2023, the FSB requested the International Financial Reporting Standards (IFRS) Foundation to take over monitoring companies’ progress on climate-related disclosures. The TCFD is now considered disbanded. However, as CAE is in the process of aligning our disclosure with upcoming regulatory requirements (still to be confirmed following ongoing consultation in Canada), we continue to report under the guidance of TCFD in FY24. We also initiated some methodological changes, related to our transition to IFRS S2 reporting standard. Material changes will be made to our climate-related reporting in the coming years and upon IFRS S2 climate-related disclosure guidance and its local adaptation.

Our commitment to do our share in the fight against climate change for the well-being of future generations remains steadfast.

Marc Parent, C.M.

President and Chief Executive Officer



TCFD index

Recommended	Further details
Governance	
A. Describe the Board’s oversight of climate-related risks and opportunities.	Sustainability governance, page 38
B. Describe management’s role in assessing and managing climate-related risks and opportunities.	Sustainability governance, page 38
Strategy	
A. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	TCFD Appendix: Climate-related risks, page 197
B. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.	TCFD Appendix: Climate-related risks, page 197
C. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	TCFD Appendix: Climate-related risks, page 197
Risk management	
A. Describe the organization’s processes for identifying and assessing climate-related risks.	TCFD Appendix: Risk management, page 193 & Climate change resilience, page 41
B. Describe the organization’s processes for managing climate-related risks.	TCFD Appendix: Risk management, page 193 & Climate change resilience, page 41
C. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.	TCFD Appendix: Risk management, page 193 & Climate change resilience, page 41
Metrics and targets	
A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	TCFD Appendix: Our performance, page 194
B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	TCFD Appendix: Our performance, page 194
C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	TCFD Appendix: Our performance, page 194

This report contains forward-looking and interpretative statements. These statements represent our expectations as of the precise time of publication and, as such, are subject to change and can evolve over time. Such statements are based on assumptions that may not materialize and are subject to risks and uncertainties. They are made on the basis of the information collected by the CCC and from expert sources. Our risk assessment is aligned with TCFD recommendations.

Management approach

In FY20, the CCC was tasked with conducting a comprehensive facility-based risk assessment. To date, the CCC has developed a methodology to identify the climate hazards to which the company is exposed and to identify the risks and opportunities for the sustainability of CAE's business. The risks and opportunities are appreciated in terms of potential impact (which could be financial, commercial, reputational, regulatory or operational) and in terms of likelihood. The CCC has categorized and updated a comprehensive list of climate-related risks and opportunities. This assessment includes climate intelligence data provided by an external agency, combined with asset-level experience. The climate risk tool is a site-specific climate risk assessment, considering both physical and transitional risks, that also allows for a corporate risk assessment review.

Risks and opportunities are also identified and assessed in our Carbon Disclosure Project (CDP) report that we started disclosing on in 2010.

In FY22, we completed our comprehensive climate risk assessment on a set of selected sites representative of CAE's services portfolio and of our global footprint (with various levels of exposure to climate risks). The exercise allowed us to update the list of climate-related risks and opportunities for CAE with an initial time horizon of 2030.

Given the forward-looking nature of climate change, the tool tested risks and opportunities under distinct future scenarios, in which our climate, energy policy, economy and community are different from today due to climate change and to the transition to a low carbon economy.

Two scenarios were applied:

- A high warming scenario to assess physical risks at our sites. The physical risk scenario was the representative concentration pathway 8.5 (*RCP8.5*), which tests unmitigated climate change by the Intergovernmental Panel on Climate Change (IPCC).
- A low warming scenario to assess transition risks at our sites. The transition risks were evaluated under the assumption of escalating climate policies designed to help meet local, national and international carbon reduction targets. The scenario is therefore aligned with the 2°C scenario in IPCC's Climate Change 2021 and 2022 reports.

The CCC formulated recommendations to prepare CAE's sites to face the rise of climate hazards and uncertainty; to protect employees, customers and assets; to develop a strategy of resilience on the medium term; and to capture potential business opportunities.

Risks and opportunities were assessed on three time horizons:

- Short term: **2030**
- Medium term: **2040**
- Long term: **2050 and beyond**

At this stage, our assessment of the potential impacts is mainly qualitative. The time horizons selected are not directly connected to our four-year financial planning cycles. Nonetheless, enhancements to that extent will be made in the near future as we transition to reporting under guidance from IFRS S2. The climate scenarios selected are also likely to evolve based on guidance from the same standard.

With these assessments, risks are prioritized based on their current and future impact on the company's commercial activities, reputation, regulatory obligations, operations and financial performance.

Ultimately, the site-level assessments enable CAE to detail how these risks and opportunities are to be managed through our existing governance, Enterprise Risk Management (ERM) framework and monitoring processes. These also serve as the basis for the integration of climate-related issues into CAE's business strategy. When needed, risks and opportunities will be subject to specific deep-dive projects.

In FY23, we initiated a climate change exposure analysis, launching an extensive empirical survey to approximately 250 CAE sites to better qualify potential climate-related risks and opportunities. Survey findings helped us refine CAE's initial assessment and further develop our risk mitigation plans.

Since FY23, we have been monitoring the latest developments with regards to sustainability disclosure requirements developed and/or issued by regulatory authorities where we operate. We are also taking measures to improve the level of our data robustness and maturity to obtain external limited assurance of our carbon data in the near future (read more in [Sustainability program](#)).

In FY24, we launched a project to test the quantification methodology on one of our most important climate-related risks, again in alignment with TCFD guidance. This project considered several factors that cover the range of potential financial impacts that CAE may face due to climate change, depending on the nature of our operations and the exposure of our most significant sites to climate risks.

We also started preparing for our transition to reporting climate-related risks and opportunities under IFRS S2 reporting standard, in alignment with how IFRS approaches financial materiality. The transition initiated is cross-functional, in tight collaboration with Corporate Finance, Enterprise Risk Management and Internal Audit.

To that extent, as a first step, we began consolidating our climate-related risks to better align with our corporate Enterprise Risk Management (ERM) framework. In the near future, we will gradually integrate sustainability – including climate risks – into our ERM framework, under IFRS financial materiality guidance. This will enable us to further build sustainability considerations into our business decision-making to continue to generate long term value.

Risk management

ERM is essential to CAE given the size, nature and complexity of our operations. We implemented an Enterprise Risk Management Policy, which sets out a framework and processes to ensure that risks are identified, measured, managed, prioritized and reported proactively, and in a manner consistent with the expectations of our Board of Directors and the interests of CAE's internal and external stakeholders, including employees, shareholders, customers and suppliers.

Pursuant to our Enterprise Risk Management Policy, our business units exercise the daily management of their risks and controls and implement corrective actions, as necessary. This corporate-level climate assessment provides key input for the ERM group to incorporate material climate-related risks into the company's ERM process.

The CCC, under the supervision of the CSO, will continue to be responsible for detailing how these risks should be managed through our existing governance, ERM framework and monitoring processes. Reporting within CAE is structured so that key issues are escalated through the Executive Management Committee and ultimately to the Board, where appropriate.

For more information about the company's ERM process, refer to the [FY24 MD&A, page 31](#).

Our performance

We have been reporting our Global Scope 1 and Scope 2 emissions as part of our Sustainability report and CDP report since FY17.

We conducted a deep dive of the corporate value chain to allow for a better understanding of the carbon impact of CAE’s Scope 3 activities and to identify reduction opportunities. Based on our findings, after having added “fuel- and energy-related emissions not included in Scope 1 and Scope 2” and “purchased capital goods” in FY22, CAE expanded the scope of our disclosures to include employee commuting in our Scope 3 reporting in FY23.

Over time, the evolution of CAE’s activities did not have a significant impact on our energy-related carbon emissions, thanks to carbon reduction initiatives implemented in our real estate portfolio and training curriculum adjustments as we grew over the years. Moreover, our sites face different energy challenges, with variations in weather conditions, nature and intensity of activities.

Scope 2 market-based emissions are still very low in FY24, with the purchase of Energy Attribute Certificates aligned with Renewable Energy 100 criteria and our commitment as a RE100 member company.

In FY24, we submitted near-term (10 years) reduction targets to the Science Based Targets initiative for approval and expanded the implementation of our decarbonization strategy. This strategy, based on four sustainable streams (sourcing, products, buildings and aviation), is meant to meet our reduction targets.

In FY24, we completed the sale of CAE Healthcare and this transaction generated a restatement of some of our emissions data:

- All our FY24 data excludes the Healthcare business unit that we formerly owned.
- We also restated FY22 and FY23 Scope 3 emissions only, due to the significant amount of carbon emissions generated by this business unit for the categories currently calculated.
- However, FY22 and FY23 Scope 1 and Scope 2 emissions remain unchanged.

Additional information is available in our GRI indicators, under [GRI 305: Emissions 2016](#).

Metric	FY24	FY23	FY22 ¹
Scope 1 in tCO ₂ e	20,900	22,115	20,039
Scope 1 – aviation fuel emissions in tCO ₂ e ²	13,241	14,206	14,907
Scope 2 – location-based in tCO ₂ e	57,256	57,114	59,055
Scope 2 – market-based in tCO ₂ e ³	3,882	4,254	5,128
Scope 1 and 2 – location-based in tCO ₂ e	78,156	79,229	79,094
Scope 1 and 2 – market-based in tCO ₂ e	24,782	26,369	25,167
Scope 3 – partial (<i>Purchased goods and services</i>) in tCO ₂ e ⁴	199,124	146,604 ⁵	133,737
Scope 3 – partial (<i>Capital goods</i>) in tCO ₂ e ⁴	N/A	2,161 ⁵	N/A
Scope 3 – partial (<i>Fuel- and energy-related activities</i>) in tCO ₂ e	17,450	18,006	17,608
Scope 3 – partial (<i>Business travel by plane, train, car rental</i>) in tCO ₂ e	17,102	16,038 ⁶	9,937
Scope 3 – partial (<i>Employee commuting</i>) in tCO ₂ e ⁷	5,114	22,196	N/A
Total Scope 3 – partial in tCO ₂ e	238,790	205,005	161,281
Total GHG emissions in tCO ₂ e			
> Scope 1 – Scope 2 location-based – Scope 3 – partial	316,946	284,234	240,375
Total GHG emissions in tCO ₂ e			
> Scope 1 – Scope 2 market-based – Scope 3 – partial	263,572	231,374	186,448
Energy intensity (MWh/million \$ revenue)	68.0	69.1	83.3

1 FY22 data has been restated based on improvements to the emissions data capture process.
 2 Aviation fuel is the main source of the Scope 1 emissions.
 3 Significant decrease of market-based emissions, due to the purchase of Renewable Energy Certificates (RECs) where possible and available in the market boundaries of our facilities.
 4 We are currently unable to separate spend between “Purchased goods and services” and “Capital goods.” Therefore, “Capital goods” emissions are included in “Purchased goods and services.”
 5 Improvement of the calculation methodology and added accuracy of data.

6 The variance is due to the growth of CAE’s activities and the associated increase of physical business travel after the end of the pandemic, coupled with more accurate data and an improvement of our calculation methodology.
 7 In FY23, CAE extended the scope of our 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 that was then extrapolated to approximately 250 sites in 40 countries.

Summary of key climate-related risks and opportunities on a 2030 time horizon

In FY24, climate-related risks were consolidated to better align with our corporate ERM framework. Opportunities were also aggregated. These are intermediary steps as we transition to reporting sustainability and climate-related risks and opportunities under IFRS S1 and S2 guidance.

Risks

Business continuity

- Business disruption
- Data loss
- Endangered network
- Reduced IT access
- Temporary lack of human resources

Extreme climate events

- Delivery delays
- Flight safety

Market *(i.e. currency and interest rates)*

- Rising insurance premiums

Recruitment, development and retention

- Talent attrition

Supply chain disruptions and shortages

- Increase of other operating costs
- Insufficient energy and raw resources
- More expensive resources
- Supply chain disruption

Sustainability commitments and expectations:

- Building norms evolution
- Carbon pricing
- New environmental, health and safety (EH&S) regulations

Other

- Damages to CAE's reputation
- Replacement of CAE's assets

Opportunities

Energy source

- Energy independence

Products and Services

- Access to new markets
- Development and/or expansion of low emission goods and services

Resilience

- Local sourcing
- Talent attraction and retention
- Strong reputation

Resource efficiency

- Sustainable simulators and more eco-efficient facilities

Methodology



Risk category	Risk type	Description	Potential financial impact	Horizon	Management method
Climate-related risks					
ERM-consolidated risk: Business continuity					
Business disruption					
Physical risk	Acute	<p>Climate change will increase the frequency and severity of weather-driven natural catastrophes, such as cyclones, hurricanes, wild fires and wind storms. Increased sea levels or more intense precipitation events could generate increased flooding.</p> <p>Those climate change-related events could cause significant damage to CAE facilities, destroying buildings or even causing fatalities. CAE may be exposed to business disruption following physical damages to facilities.</p>	<ul style="list-style-type: none"> – Increased operating costs (<i>repairs and maintenance</i>) – Loss of current and future revenues (<i>backlog</i>) 	Short term	CAE is developing crisis management protocols to manage the different scenarios, aggregating the countermeasures already in place.
Likelihood	Certain				
Impact	Low to medium				
Data loss					
Physical risk	Acute	<p>Climate change events (e.g. storms, flooding, hurricanes) can destroy or disable the IT network or infrastructures (software and applications), wherever they are located or the data centres supporting CAE's operations. CAE may directly or indirectly lose physical or electronic data due to climate change events.</p>	<ul style="list-style-type: none"> – Loss of current and future revenues (<i>backlog</i>) – Increased operating costs (<i>repairs, claims, rescheduling</i>) 	Medium term	CAE maintains a strong IT strategy. Backups in the cloud, regular physical backup and redundancies among other mitigation measures are being integrated into our risk mitigation plans.
Likelihood	Possible				
Impact	Low				
Endangered network					
Physical risk	Acute	<p>Climate change events may force CAE's customers to review the location of their own activities:</p> <ul style="list-style-type: none"> – If they operate from one region that is particularly affected by climate change disorders – If some flight quotas are enforced with regards to flight training operation(s) – If they are affected by any of the risks listed above that jeopardize the sustainability of their business <p>CAE's customers may be forced to leave a specific area where CAE had settled to serve this particular customer. This may also force the customer to include some seasonality on the planning of its training needs.</p> <p>We may have to review our network and footprint: closing some low utilization training centres, adjusting our local strategy or the planning of one training centre and relocating high-value training for specific customers.</p>	<ul style="list-style-type: none"> – Loss of current and future revenues (<i>backlog</i>) – Decreased return on investment – Loss of market share 	Medium to long term	<p>The Enterprise Risk Management (ERM) group maintains a vision of CAE's top enterprise risks, including climate-related risks.</p> <p>ERM informs the Company's strategic decision-making process.</p>
Likelihood	Likely — Based on each site's importance in CAE's network				
Impact	Medium				

Risk category	Risk type	Description	Potential financial impact	Horizon	Management method
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Climate-related risks

ERM-consolidated risk: Business continuity

Reduced IT access

Physical risk	Acute/ Chronic	<p>Climate change events (e.g. storms, flooding, hurricanes) can destroy or disable the IT network or infrastructures (software and applications) wherever they are located or the data centres supporting CAE operations. The rise or decrease of temperatures can also be mismanaged, endangering the operability of the IT infrastructures or data centres.</p> <p>CAE may suffer from a reduced access to the IT infrastructures supporting our operations or to our data centres, particularly our own data centres and IT infrastructure.</p>	<ul style="list-style-type: none"> – Loss of current and future revenues (<i>backlog</i>) – Increased operating costs (<i>repairs, claims, rescheduling</i>) 	Medium term	CAE maintains a strong IT strategy. Controls and mitigation measures are being integrated into our risk mitigation plans.
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Likelihood	Possible
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Impact	Low
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Temporary lack of human resources

Physical risk	Acute/ Chronic	<p>Climate change events may temporarily impact the health conditions and the quality of life in an area. Rising temperatures, flooding, hurricanes and major storms can increase the risk of pollution. If mismanaged, such living conditions can also generate social protests. These events can temporarily prevent employees from coming to work.</p> <p>CAE employees may experience decreased productivity or increased workplace absence due to experiencing climate hazards.</p>	<ul style="list-style-type: none"> – Increased operating costs (<i>claims, rescheduling</i>) – Loss of revenues 	Medium to long term	<p>CAE has deployed various best-in-class tools and programs to enable remote work and remote training. We also track employee well-being and absence.</p> <p>Essential staff management is part of our crisis management protocol.</p>
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Likelihood	Likely
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Impact	Low
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ERM-consolidated risk: Extreme climate events

Delivery delays

Physical risk	Acute	<p>Climate change events (e.g. storms, flooding, hurricanes) can disrupt or damage transportation routes (roads, airports, shipping ports) that provide access to CAE facilities (factories, training centres, offices) generating potential:</p> <ul style="list-style-type: none"> – Delivery delays for simulators and services coming from CAE facilities and in transit to final reception. – Impossibility for employees/customers/suppliers to access our sites – Difficulties for future pilots to land at the closest airport to attend their training session – Difficulties for the Company to send any product out of our facilities – Difficulties in sending instructors to their customers destination 	<ul style="list-style-type: none"> – Increased operating costs (<i>claims, rescheduling</i>) – Loss of revenues 	Short term	Same as for business disruption.
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Likelihood	Certain
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Impact	Low
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Risk category	Risk type	Description	Potential financial impact	Horizon	Management method
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Climate-related risks

ERM-consolidated risk: Extreme climate events

Flight safety

Physical risk	Acute/ Chronic	<p>Weather conditions impact the aircraft performance in our flight schools. Extreme heat can cause damages and avionics issues, such as engines overheating. Extreme heat increases the distance required to safely take-off and potentially limits flight altitude.</p> <p>These consequences also need to be considered. Some weather conditions, such as storms and wildfires can also affect visibility when flying. Climate change is likely to add pressure on the live flight training activities in our flight schools and, if not anticipated, could lead to accidents.</p>	<ul style="list-style-type: none"> – Increased operating costs (<i>repairs and maintenance</i>) – Loss of current and future revenues (<i>backlog</i>) 	Short term	CAE constantly develops and enhances a robust safety management system that integrates climate generated constraints, with supervision and reporting up to the leadership of the training organization.
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Likelihood	Likely
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Impact	Low¹
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ERM-consolidated risk: Market (i.e. currency and interest rates)

Rising insurance premiums²

Transition risk	Market	<p>Rising frequency and impact of climate change events may lead to an increase in insurance claims and may cause insurance premiums to rise. CAE may have to cover rising insurance premiums or integrate additional self-insurance financial provisions.</p>	<ul style="list-style-type: none"> – Increased operating costs – Self-insurance liabilities 	Short term	CAE monitors insurance coverage trends.
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Likelihood	Certain
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Impact	Low¹
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ERM-consolidated risk: Recruitment, development and retention

Talent attrition

Transition risk	Market	<p>Climate change events (e.g. massive climate catastrophe, flooding, rise or fall of temperatures) may impact the living conditions and the quality of life of a country/area:</p> <ul style="list-style-type: none"> – Endangering access to key resources and food (e.g. <i>destruction of land, destruction of airports</i>) – Damaging infrastructures (e.g. <i>hospitals, schools</i>) – Impacting the health of local population (e.g. <i>risky weather conditions, air quality</i>) <p>Such events could worsen living or working conditions in the area and cause depopulation. CAE may experience difficulties attracting and retaining key talent to maintain a strong and sustainable business.</p>	<ul style="list-style-type: none"> – Increased operating costs (<i>claims, rescheduling, recruitment</i>) – Loss of revenues – Loss of market share 	Short to medium term	As part of its ERM process, CAE monitors market conditions changes including living conditions. We also track employees' well-being on a regular basis.
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Likelihood	Possible
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Impact	Low
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¹ Can have a medium impact on CAE's reputation.

² Subject to high uncertainty, requires a thorough monitoring.

Risk category	Risk type	Description	Potential financial impact	Horizon	Management method
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Climate-related risks

ERM-consolidated risk: Supply chain disruptions and shortages

Increase of other operating costs

Physical risk + Transition risk	Acute / Chronic – Policy / Legal	CAE may see increasing operating costs due to the consequences of climate change events damages and disruptions, the increase of building maintenance bills and the increase of transportation fees. CAE could also face rising local taxes and a lower level of public services, due to the possible deterioration of infrastructures maintenance.	– Increased operating costs (<i>repairs and maintenance</i>)	Short to medium term	As part of our ERM process, CAE monitors market conditions and regulatory changes. We also include climate-related risks in our due diligence for capital investment (lease/own arbitration).
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Likelihood	Certain
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Impact	Medium
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Insufficient energy and raw resources

Transition risk	Market	Climate change events can cause damages to the infrastructures or routes supporting energy or raw material supply (locally or not). Access to water, fuel, electricity or other key resources can be hindered. Climate change events can also destroy or damage sources of raw material, even leading to a shortage of energy and raw material resources. CAE may not have access to sufficient resources to maintain our regular operations. There may be a lack of redundant suppliers for key resources.	– Increased operating costs (<i>claims, rescheduling, emergency resourcing</i>)	Short to medium term	CAE monitors energy pricing trends, coverage of energy supplies and existing alternatives. We constantly innovate on our products to improve their energy efficiency.
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Likelihood	Likely
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Impact	Low¹
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More expensive resources

Transition risk	Market	In reference to the previous risk "Insufficient energy and raw resources," Climate change may lead to a growing scarcity of energy and raw material resources. CAE may experience a rise in price of the resources (e.g. energy sources, water, raw material).	– Increased operating costs (<i>resourcing, rising price of energy</i>)	Short term	CAE monitors energy price trends, coverage of energy supplies and existing alternatives. We constantly innovate on our products to improve their energy efficiency. We constantly innovate on our buildings by applying sustainable building practices in the construction of new facilities and to existing ones.
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Likelihood	Certain
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Impact	Low¹
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Supply chain disruption

Physical risk	Acute	Climate change events can cause damages to CAE's suppliers: <ul style="list-style-type: none"> – Destruction of their facilities – Departure of key human resources – Impossibility to maintain their activities due to climate conditions – Impossibility to cope with potential new norms or new business conditions generated by climate change CAE may suffer from the permanent loss of key strategic suppliers.	<ul style="list-style-type: none"> – Increased operating costs (<i>claims, rescheduling</i>) – Loss of current and future revenues (<i>backlog</i>) 	Short term	CAE is developing suppliers risk monitoring processes that will encompass climate-related risks.
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Likelihood	Certain
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Impact	Low to medium — Based on each site's dependency to its own supply chain
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¹ Increasingly volatile, requires a thorough monitoring.

Risk category	Risk type	Description	Potential financial impact	Horizon	Management method
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Climate-related risks

ERM-consolidated risk: Sustainability commitments and expectations

Building norms evolution

Transition risk	Policy / Legal	<p>Rising frequency and impact of climate change events can lead governments or local authorities to impose more stringent rules and regulation on real estate projects (new buildings, maintenance), such as restrictions on materials used (i.e. select low-carbon materials), limitations on energy consumption and compliance with specific building certifications. Regulators and insurers may further restrict areas where building may occur to minimize insurance claims and defaults.</p> <p>CAE may face more restrictive regulation in terms of buildings, their maintenance and servicing, including new measures or new controls on existing facilities and new building standards for the upcoming real estate projects.</p>	– Increased operating costs (<i>building maintenance, construction and servicing</i>)	Short to medium term	<p>As part of its ERM process, CAE monitors regulatory changes. We also include climate-related risks in our due diligence for capital investment (lease/own arbitration).</p> <p>We perform an extended due diligence before buying a building that includes energy efficiency standards.</p>
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Likelihood **Likely**

Impact **Low**

Carbon pricing

Transition risk	Policy / Legal	Carbon pricing, carbon taxes and other climate policies will impact energy, raw material and the prices for purchased goods and services. CAE may be exposed to increasing energy and other supplies bills due to carbon pricing.	– Increased operating costs (<i>carbon pricing</i>)	Short to medium term	<p>As part of our ERM process, CAE monitors regulatory changes.</p> <p>We also implement energy efficient standards and constantly innovate our products to improve their energy efficiency.</p>
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Likelihood **Certain**

Impact **Medium**

New EH&S regulations

Transition risk	Policy / Legal	Given the increase in frequency and magnitude of climate change events, governments or local authorities may impose new regulations on Environment, Health and Safety (EH&S) to protect employees, the local community and the ecosystem where CAE conducts its activities. CAE may have to comply with new EH&S regulations.	– Increased operating costs (<i>compliance to additional standards</i>)	Medium to long term	As part of its ERM process, CAE monitors regulatory changes.
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Likelihood **Possible**

Impact **Low**

Risk category	Risk type	Description	Potential financial impact	Horizon	Management method
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Climate-related risks

Other

Damages to CAE's reputation

Transition risk	Reputation	<p>Private companies and public authorities face growing pressure over their impact on the environment and on climate change.</p> <p>Any concern about CAE not being ready to supply low-carbon services may deter our customers from engaging with us. It can also deter our public and private business partners from maintaining their relationship with us. CAE's reputation could be negatively impacted by a lack of action on climate change.</p>	<ul style="list-style-type: none"> Loss of current and future revenues (<i>backlog</i>) Loss of public contracts Loss of private funding 	Short to medium term	<p>CAE develops and implements an environmental strategy that covers emissions inventory, carbon reduction actions, the development of low-carbon products and services and climate change mitigation.</p> <p>We communicate these actions and activities transparently to external stakeholders along with their outcomes.</p>
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Likelihood	Likely
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Impact	Medium ¹
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Replacement of CAE's assets

Transition risk	Policy / Legal	<p>CAE may have to increase investments to transition toward low-carbon assets and may suffer losses in value for carbon-intensive assets or from assets becoming obsolete.</p> <p>CAE may need to upgrade or replace simulators in the network due to the enforcement of new regulations or laws.</p>	<ul style="list-style-type: none"> Increased operating costs (<i>full replacement or upgrade</i>) 	Short to medium term	<p>CAE constantly innovates our products to improve their energy efficiency.</p> <p>CAE is identifying and implementing carbon reduction opportunities regarding our facilities management.</p>
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Likelihood	Possible
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Impact	Low
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Opportunity factor	Description	Potential financial impact	Horizon	Strategy to realize the opportunity
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Climate-related opportunities

Energy source

Energy independence

Energy source	<p>As climate change puts pressure on energy sourcing, CAE may revisit the sourcing of the energy we purchase and consider various options to build redundancies and be self-sufficient in terms of electricity. Such a strategy helps mitigate the risk of IT disruption and the financial costs related to highly volatile energy prices.</p>	<ul style="list-style-type: none"> Cost savings 	Medium to long term	<p>CAE monitors energy pricing trends, coverage of energy supplies and existing alternatives. As part of our decarbonization strategy, we are focusing on identifying and implementing carbon reduction opportunities on our existing facilities. We also add green features to our new buildings to ensure they are energy-efficient.</p>
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Likelihood	Certain
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Opportunity factor	Description	Potential financial impact	Horizon	Strategy to realize the opportunity
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Climate-related opportunities

Products and Services

Access to new markets

Products / Services	<p>The development of low-carbon transportation is also driven by climate change: battery-powered aircraft, Advanced Air Mobility and unmanned electric transportation.</p> <p>CAE may face more demand for new training products and services in these new markets.</p>	<ul style="list-style-type: none"> Increased revenue through demand for new products and services 	Medium term	<p>As part of our market intelligence and ERM process, CAE monitors market conditions change including new regulations, changes in customers' needs, new technology trends and new products and services.</p> <p>The cost of realizing the opportunity is integrated into our business case.</p>
Likelihood	Certain			

Development and/or expansion of low-emission goods and services

Products / Services	<ul style="list-style-type: none"> More stringent regulations on carbon taxes and carbon pricing could result in a wider share of simulation-based training versus live training in an actual aircraft. CAE may face more demand for simulation-based training. Climate change may also generate more demand for simulation solutions to enable to test various climate change scenarios and organize emergency services. CAE's upcoming fleet of electric aircraft is an opportunity for our customers to decrease their carbon emissions. 	<ul style="list-style-type: none"> Increased revenue through demand for lower emissions products and services 	Short to medium term	<p>As part of our market intelligence and ERM process, CAE monitors market conditions changes, including new regulations and changes in customers' needs.</p> <p>The cost of realizing the opportunity is integrated into our business case.</p>
Likelihood	Likely			

Resilience

Local sourcing

Resilience	<p>Due to the operational pressure generated by climate change on shipping and transportation routes, CAE may revisit its supply chain to turn to more local sources for the goods and services we purchase. Local sourcing is likely to reduce operational risk and sources of delays.</p>	<ul style="list-style-type: none"> Cost savings 	Short to medium term	<p>CAE is completing a deep dive on our value chain to have a better understanding of our Scope 3 carbon footprint in order to identify and implement carbon reduction opportunities and increase cooperation with key suppliers. Markets trends are monitored and local sourcing is prioritized when possible and relevant.</p> <p>CAE also considers carbon as part of our procurement decision-making.</p>
Likelihood	Certain			

Talent attraction and retention

Resilience	<p>Climate change awareness and resilience strategy have become part of a company's attractiveness for talent. It also positively influences employee engagement. Even with variability in terms of age ranges and geographies, that trend is likely to increase in the near future. CAE's climate change awareness and resilience strategy may reinforce our capacity to attract and retain key talent.</p>	<ul style="list-style-type: none"> Increased revenues through demand for high-quality services 	Medium term	<p>As part of our market intelligence and ERM process, CAE monitors talent attraction trends and adapts our human resources strategy accordingly. Bolstering talent is a high priority of our company, identified as one key area of our corporate business strategy.</p> <p>The cost of realizing the opportunity is integrated into our business case.</p>
Likelihood	Possible			

Opportunity factor	Description	Potential financial impact	Horizon	Strategy to realize the opportunity
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Climate-related opportunities

Resilience

Strong reputation

Products / Services	As CAE develops its climate change resilience strategy and as CAE develops more low-emissions goods and services, its reputation is likely to continue to gain strength. As CAE continues to support the decarbonization of its industry and customers, its efforts may increase customer stickiness and enhance its relationships with investors, government and policy makers.	<ul style="list-style-type: none"> Increased revenues through demand for high-quality services Increased access to private and public funding 	Short to medium term ¹	CAE monitors the expectations of our external stakeholders through different channels. CAE deploys an environmental strategy that addresses carbon reduction and climate change mitigation.
Likelihood	Certain			

Resource efficiency

Sustainable simulators and more eco-efficient facilities

Resource efficiency	As CAE develops more eco-efficient simulators, we decrease the carbon footprint of our simulators installed base and as such, the emissions of our customers. Building eco-efficient buildings in CAE's network also help to reduce carbon emissions. Reducing energy consumption also helps cope with the high volatility of energy prices.	<ul style="list-style-type: none"> Increased revenue through demand for lower emissions products and services Cost savings 	Short term	As part of our decarbonization strategy, we constantly innovate our products to improve their eco-efficiency. We also modernize our buildings to improve their energy efficiency and use greener sources of energy. Environmental criteria are included in the development of new buildings.
Likelihood	Certain			

Summary of findings: climate change risks heat map



● Transition risks – Low warming scenario (+2 degree) ● Physical risks – High warming scenario (RCP8.5)

1 Variable based on each site's dependency on its suppliers.
 2 Depending on each site's importance in CAE's network.
 3 Subject to high uncertainty, requires a thorough monitoring.

4 Increasingly volatile, requires a thorough monitoring.
 5 Can have a medium impact on CAE's reputation.
 6 Also connected to the perception of the aviation sector and to CAE's progress on climate change mitigation and carbon reduction.

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 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), 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) and the cloud computing transition adjustment (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2022). 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 12.3 "Non-IFRS measure reconciliations" of the FY24 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 12.3 "Non-IFRS measure reconciliations" of the FY24 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 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), 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) and the cloud computing transition adjustment (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2022). 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 12.3 "Non-IFRS measure reconciliations" of the FY24 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 12.3 “Non-IFRS measure reconciliations” of the FY24 MD&A for a calculation of this measure, which calculation 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 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), 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) and the cloud computing transition adjustment (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2022). 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 12.3 “Non-IFRS measure reconciliations” of the FY24 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 FY24 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 FY24 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 FY24 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 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), 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) and the cloud computing transition adjustment (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2022). 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 FY24 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 12.3 “*Non-IFRS measure reconciliations*” of the FY24 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;
- 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 environmental, social and governance (ESG) 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, and 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 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) leverage and encroachment, inflation, international scope of our business, 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, risk that we cannot assure investors that we will 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 availability of capital, customer credit risk, foreign exchange, effectiveness of internal controls over financial reporting, liquidity risk, interest rate volatility, returns to shareholders, shareholder activism, 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; ESG risks, such as extreme climate events and the impact of natural or other disasters (including effects of climate change) and more acute scrutiny and perception gaps regarding ESG matters; 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 10 "Business risk and uncertainty" of the MD&A for the year ended March 31, 2024, 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, 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 Legacy Contracts while managing the risks associated therewith, and our ability to complete the integration of the AirCentre business and the separation of the CAE Healthcare business within the anticipated time periods and at the expected cost levels. Air travel is a major driver for CAE's business and management relies on analysis from the International Air Transport Association (IATA) to inform its assumptions about the rate and profile of recovery 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 10 "Business risk and uncertainty" of the MD&A for the year ended March 31, 2024, available on our website (cae.com), SEDAR+ (SEDARplus.ca) and EDGAR (sec.gov), which section is incorporated into this report by this reference. ■

List of acronyms

3D 3 dimensional	CDP Carbon Disclosure Project	eFM eFlight Manager	GHG Greenhouse gas
3Rs Reduce, Reuse and Recycle	CEO Chief Executive Officer	eGRID Emissions & Generation Resource Integrated Database	GJ Gigajoule
AAM Advanced Air Mobility	CH₄ Methane	EH&S Environment, Health & Safety	GmbH German abbreviation for "Gesellschaft mit beschränkter Haftung," meaning company with limited liability
AD Airworthiness directive	CILA Canadian Industrial Leadership Award	EMC Executive Management Committee	GORBCM Global Operational Risk Management, Security & Business Continuity Management
AI Artificial intelligence	CISO Chief Information Security Officer	EPA Environmental Protection Agency	GPSM Global Procurement and Supply Management
AIAC Aerospace Industries Association of Canada	CMAI Canadian Mobility and Aerospace Institute	EPS Earnings per share	GRI Global Reporting Initiative
AIB Association of Issuing Bodies	COO Chief Operating Officer	ERGs Employee Resource Groups	GTP Global Technology and Product
AIMS Advanced Integrated Magnetic Anomaly Detection System	CO₂ Carbon dioxide	ERM Enterprise Risk Management	GWP Global warming potential
ALoSP Acceptable Level of Safety Performance	CO₂e Carbon dioxide equivalent	ESG Environmental, social and governance	HIRE Vets Honoring Investments in Recruiting and Employing America Military Veterans
APG Aircraft Performance Group	CPO Chief People Officer	ESPP Employee Stock Purchase Plan	HMAS His Majesty's Australian Ship
AR4 Fourth Assessment Report	CRIAQ Consortium for Research and Innovation in Aerospace in Quebec	EU European Union	HR Human Resources
ASHRAE American Society of Heating, Refrigerating and Air-Conditioning Engineers	CSO Chief Sustainability Officer	eVTOL Electric Vertical Take Off and Landing	HRC Human Resources Committee
Aviation ISAC Aviation Information Sharing and Analysis Center	CSR Corporate Social Responsibility	FAA Federal Aviation Administration	I/ITSEC Interservice/Industry Training, Simulation and Education Conference
BEM Business Excellence Model	CTPO Chief Technology Product Officer	FFS Full-flight simulator	IAEG International Aerospace Environmental Group
BEN Balance Energético Nacional	D&S Defense & Security	FIRE First Peoples Inclusion & REconciliation	IATA International Air Transport Association
BHER Business + Higher Education Roundtable	DE&I diversity, equity and inclusion	FNTI First Nations Technical Institute	ID/IQ Indefinite-delivery/ Indefinite-quantity
BIPOC Black, Indigenous, and People of Color	DEEL DEpendable & Explainable Learning	FNB Financial Stability Board	IEA International Energy Agency
BU Business unit	DEIB Diversity, Equity, Inclusion and Belonging	FSS Flight Safety and Standardization	IFRS International Financial Reporting Standards
CABC Canadian American Business Council	EACs Energy Attribute Certificates	FTO Flight Training Organization	INSAT Initiative for Sustainable Aviation Technology
CBTA Competency-based training and assessment	EASA European Union Aviation Safety Agency	FY Fiscal year	
CCC Climate Change Committee	EBITDA Earnings before interest, taxes, depreciation and amortization	GASG Global Aviation Safety and Governance	
	EDC Executive Diversity Council	GFANZ Glasgow Financial Alliance for Net-Zero	

IP Intellectual property	MoC Memorandum of Cooperation	R&Os Risks and opportunities	SPC Simulator Product – Civil
IPCC Intergovernmental Panel on Climate Change	MWh Megawatt-hour	RAAF Royal Australian Air Force	SPIs Safety performance indicators
IPPD Integrated Product and Process Design	N/A Not applicable	RCP Representative concentration pathway	SQN Squadron
IS Information Security	NATO North Atlantic Treaty Organization	RE100 Renewable Energy 100	STEM Science, Technology, Engineering and Math
ISAC Information Sharing and Analysis Centers	NBAA National Business Aviation Association	RECs Renewable Energy Certificates	SVT Soldier Virtual Trainer
ISO International Organization for Standardization	NFTC NATO Flight Training in Canada	RFP Request for proposal	SWWC Seahawk Simulation Warfare Centre
ISO/IEC International Organization for Standardization/International Electrotechnical Commission	NGA National Greenhouse Gas Accounts	RNZAF Royal New Zealand Air Force	TA Talent Acquisition
IT Information Technology	NGOs Non-governmental organizations	ROCE Return on capital employed	TCFD Task Force on Climate-related Financial Disclosures
KBAs Key biodiversity areas	NRC National Research Council	RPAS Remotely Piloted Aircraft System	tCO₂e Tonnes of carbon dioxide equivalent
Kft. Hungarian abbreviation of "korlátolt felelősségű társaság," meaning company with limited liability	N₂O Nitrous oxide	SaaS Software as a service	TNFD Taskforce on Nature-related Financial Disclosures
KPIs Key performance indicators	OBAP Organization of Black Aerospace Professionals	SAF Sustainable aviation fuel	UAE United Arab Emirates
kWh Kilowatt-hours	ODS Ozone-depleting substances	SASB Sustainability Accounting Standards Board	U.K. United Kingdom
LDP Leadership Development Program	OEMs Original Equipment Manufacturers	SBTi Science Based Targets initiative	U.S. United States
LFE Learning from Events	OHS Occupational health and safety	SBTs Science-based targets	UN United Nations
LGBTQ2+ Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Two-Spirit	OHSAS Occupational Health and Safety Assessment Series	SDGs Sustainable Development Goals	UNFCCC United Nations Framework Convention on Climate Change
LIFT Laboratoire intégré de formation technique	OKRs Objectives and key results	SEC Safety Executive Committee	UNGC United Nations Global Compact
LLC Limited Liability Company	PAC Political action committee	SEU Simulator equivalent unit	UNSW University of New South Wales
Ltda. Spanish abbreviation of "limitada," designation for a private limited liability corporation with limited liability to shareholders	PAR Progressive Aboriginal Relations	SG&A Selling, general and administrative	USAF U.S. Air Force
M&A Mergers and acquisitions	PDP Pilot Development Program	SIN Sistema Interconectado Nacional	WiDS Women in Defence and Security
MAD Magnetic Anomaly Detection	Plc Public limited company	SMEs Small and medium-sized enterprises	WIL Work-integrated learning
MD&A Management's Discussion and Analysis	PROTE Portable reduced oxygen training enclosure	SMS Safety Management System	WISA Waterloo Institute for Sustainable Aeronautics
	Pty Ltd. Proprietary limited	SOC 2 System and Organization Control 2	WIT Women in Technology
	Q&A Question and answer	SOI Segment operating income	YTD year to date
	R&D Research and development	SOPFEU Société de protection des forêts contre le feu	

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