



**REPORT UNDER THE *FIGHTING AGAINST FORCED
LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT***

Financial Year Ended December 31, 2023

Parent Company: Bradley Air Services Limited
BN: 868435561
Financial Year Ended: December 31, 2023
Sector: Air Transportation: Scheduled and Non-Scheduled
Incorporation: Federal
Primary Jurisdictions: Ontario (head office), Quebec, Alberta, Manitoba North West Territories, Nunavut

Introduction

This report is made pursuant to Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (the "Act"). This report outlines the approach and initiatives by Bradley Air Services Limited to identify and address the risks forced labour and child labour in its business operations and supply chains during the financial year commencing January 1, 2023 and ending December 31, 2023 inclusive of those completed after yearend but prior to the issuance of this report.

Bradley Air Services Limited is committed to responsible business practices including protection of human rights. We recognize the risks of forced labour in supply chains and will continue to work with our employees and suppliers to identify and mitigate these risks.

Company Overview

Bradley Air Services Limited was founded in 1946 and originally incorporated in 1954. In 2019, Bradley Air Services Limited and Canadian North Inc. combined and now operate as Canadian North. Bradley Air Services Limited has its head office at 20 Cope Drive, Kanata ON K2M 2V8. The group of companies detailed below is referred to in this report as Canadian North.

Canadian North's Mission and Values are:

Mission

Make life better in the communities we serve.

Values

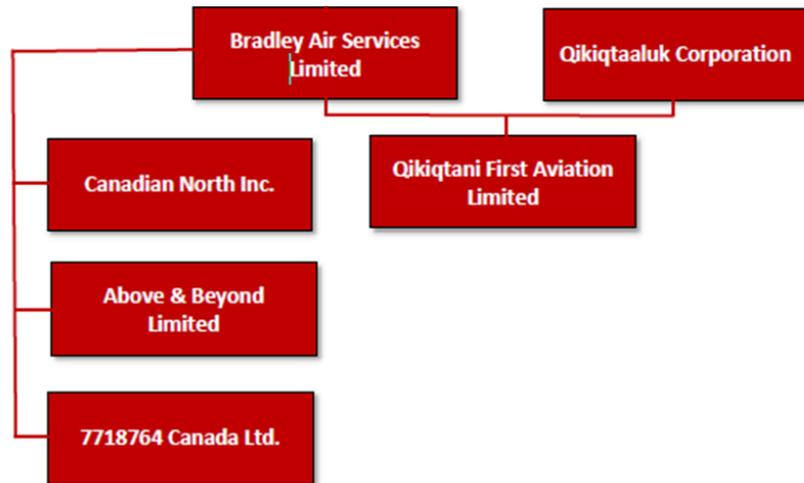
Safely Innovate and R.I.S.E. – Respect, Integrity and Service Excellence



Group Structure

Following is the corporate structure of Bradley Air Services Limited. Bradley Air Services Limited and its controlled subsidiaries are incorporated federally.

All purchasing and procurement for entities controlled by Bradley Air Services Limited is completed by employees of Bradley Air Services Limited. Accordingly, this report is provided on a joint basis for Bradley Air Services Limited, Canadian North Inc. Above & Beyond Limited, and 7718764 Canada Ltd. Bradley Air Services Limited is a minority shareholder in Qikiqtani First Aviation Limited and Qikiqtani First Aviation Limited does not meet the definition of Entity under the Act.



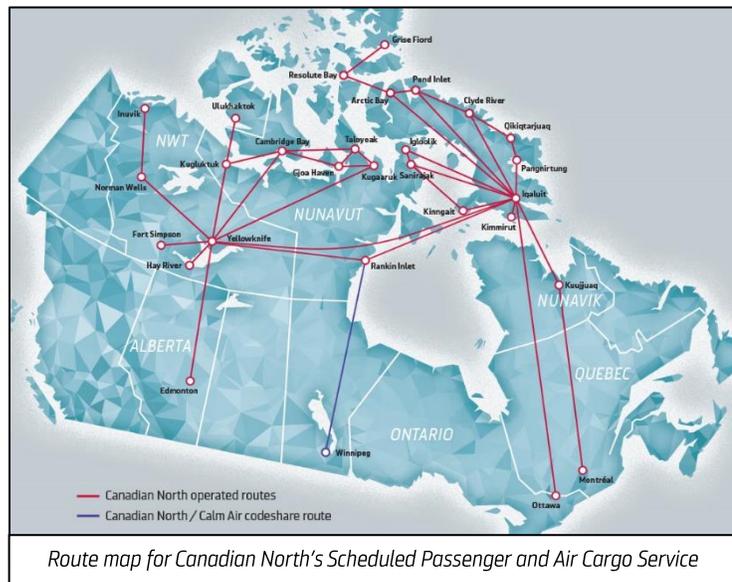
Bradley Air Services Limited employs approximately 1,600 people, all in Canada.

Activities

Canadian North operates in three primary business lines:

1. Scheduled Passenger Air Service
2. Air Cargo Service
3. Charter Service

To support these three business lines, Canadian North maintains bases in Edmonton and Calgary, Alberta; Winnipeg, Manitoba; Ottawa, Ontario; Montreal, Quebec; Yellowknife, Northwest Territories; and Iqaluit, Nunavut. Air operations and maintenance activities are conducted to varying degrees at each of these bases.



In addition to these three primary services, Canadian North provides limited third-party training, aircraft handling and maintenance services.



Supply Chain

Canadian North’s supply chain consists of procurement of aeronautical products, ground service equipment, corporate and commercial goods, facility construction and maintenance, and training to support our airline network and operations. The main goods and services Canadian North uses in its operation are:

- Aircraft fuel;
- Aircraft maintenance materials and supplies;
- Airport and air navigation services;
- Aircraft (including leases and acquisition);
- Facilities (including rental, construction and maintenance costs);
- Subcontracted air carriers;
- Commissary and catering;
- Insurance;
- Sales, marketing and distribution services;
- Training services; and
- Accommodation and transportation services.

Canadian North manages approximately 1,400 vendors all of which are approved and audited on a two-year published schedule through an established vendor accreditation and quality program.

Canadian North’s vendors span 26 countries; however, the majority are located in Canada and the United States of America.

Canadian North Vendor Location Summary	
Location	Portion
Canada	58.0%
United States of America	33.8%
United Kingdom	2.6%
France	1.5%
Other EU Countries	2.8%
Other	1.2%
Total	100.0%

Policies and Due Diligence Processes

Canadian North maintains a Code of Conduct for all employees, contractors and directors which includes (but is not limited to):

- Compliance with laws;
- Fiduciary responsibilities;
- Ethical conduct; and
- Individual requirements for reporting violations.



As part of monitoring compliance with Canadian North's Code of Conduct, it maintains an independently monitored whistleblower service where reporting is available online, by phone or by email to all employees, contractors or board members. Individuals making a report may self-identify or choose to remain anonymous. Canadian North's policy dictates all whistleblower reports will be investigated by a qualified, impartial investigator at the appropriate level of authority. Protections are in place for any employee, contractor or board member who makes a report in good faith.

In addition to policies applicable to all employees, those employees primarily involved in procurement activities have detailed policies and manuals which specifically address the requirements of the Act.

Risks

Personnel

Canadian North believes the risk of forced labour or child labour among our personnel is very low. Canadian North has fully developed and implemented human resources policies overseen by the Human Resources and Compensation Committee of our Board of Directors to ensure it meets or exceeds all employment and labour laws, standards and regulations.

Supply Chain

Canadian North's risk exposure to forced labour and child labour is through its suppliers particularly those in higher-risk geographies and sectors. Canadian North's procurement and purchasing team assesses its supply chain for such risks on an ongoing basis including whether the geography or underlying commodity is assessed as high-risk.

Additional staff training has been provided on the importance of origin of goods and services and assessing risk associated with geographies and commodities.

Risk Mitigation

Mitigations for supply chain risks related to forced and child labour have been incorporated into Canadian North's procurement processes augmenting existing policies and procedures. These mitigations include:

- Updating Canadian North's purchase order terms to include a requirement to comply with the Act or equivalent local law
- Adding compliance with the Act to Canadian North's vendor approval process for all new vendors
- Incorporating requirements of the Act to Canadian North's scheduled vendor audit and regular re-approval processes
- Incorporating requirements of the Act into periodic site visits of critical or high risk vendors conducted by Canadian North's purchasing team
- Amending Canadian North's purchasing manual to specifically address the requirements of the Act
- Additional due diligence on suppliers from higher risk jurisdictions

Mitigations for any residual personnel risks include:

- Policies such as:
 - Robust occupational health and safety policies
 - Employment equity policies
 - Hiring and training policies



- Whistleblower reporting mechanisms and protections
- Ongoing monitoring of labour relations by the Human Resources and Compensation Committee of the Board of Directors

Remediation

Canadian North is not aware of any issues of forced or child labour in its supply chain or otherwise in its business at the date of this report or for the year ending December 31, 2023. If an instance of forced or child labour is identified with a supplier, Canadian North will cease conducting business with such supplier with notice provided to Canadian North's legal and executive teams as well as appropriate authorities.

In the event a supplier relationship is terminated as a result of issues of forced or child labour, Canadian North will review options to remediate a loss of income to the most vulnerable families.

Training and Awareness

All Canadian North employees and contractors are required to adhere and attest annually to compliance with its Code of Conduct. This training is tracked in Canadian North's Learning Management System.

For those employees primarily engaged in procurement, additional training has been provided on the requirements of the Act. This training is tracked in Canadian North's Learning Management System and will be updated regularly and required annually.

A briefing was provided to all members of Canadian North's senior management on the requirements of the act.

Information on the requirements of the Act has been made available to all employees on Canadian North's intranet.

Effectiveness Assessment

To assess the effectiveness of Canadian North's procurement practices generally as well as specific compliance with the Act, the following metrics are tracked internally:

- Training completion in Canadian North's Learning Management System
 - Training specific to the Act
 - Training on procurement best practices
- Vendor audits
 - Number and portion of total vendors completed annually
 - Instances of non-compliance with the Act, if any, and generally. General findings indicate the vendor audit system is functioning effectively.
- Reports to Canadian North's independent whistleblower hotline (monitored at the Board of Directors level).



Report Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Signed on behalf of the Executive and Board of Directors of Bradley Air Services Limited:



Shelly De Caria
President & Chief Executive Officer
Date: May 24, 2024
I have the authority to bind Bradley Air Services Limited



Johnny Adams
Executive Chairman
Date: May 24, 2024
I have the authority to bind Bradley Air Services Limited

