

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

Preamble

This report is produced in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada, S.C. 2023 c. 9) (hereinafter the "**Act**") and concerns Avjet Holding inc. (hereinafter the "**company**" and/or "**Avjet**"). Our company specializes in the bulk distribution and drumming of aviation fuels as well as into-plane fueling services. We distribute our products to airlines and aircraft operators, as well as to mining and forestry companies.

Avjet is the owner of its subsidiary, Trans-Sol Aviation Service inc. ("**TSAS**"), which specializes in airport ground handling services for aircraft operators, airlines and airport authorities.

Avjet and its subsidiary TSAS hereby report to the Minister of Public Safety and Emergency Preparedness on the measures taken during the previous fiscal year ending October 31, 2023, to prevent and mitigate the risk of the use of forced labour or child labour at any stage of the production of our goods, in Canada or elsewhere, or during import and distribution in Canada.

Our company considers respect for human rights to be a fundamental corporate responsibility and a value that governs all our activities. We place the utmost importance on acting with integrity, responsibly and in compliance with the law in the conduct of our business activities and towards our employees, customers and suppliers, as well as in all our interactions with communities. As such, we expect the same from our business partners.

Our Vision

At Avjet, we are convinced in our ability to make a positive difference by involving and inspiring our people. The commitment of all is essential to the evolution of our company's journey. That's why we work closely with our employees, partners and customers to change the future of aviation. Every day, we focus on the long-term development of our company by constantly improving our practices, notably through our efforts in sustainable and ecological development and our ongoing training in health, safety and security in the workplace. We are also a founding member of the Canadian Sustainable Aviation Fuel Council (C-SAF).

Our vision is also for the services provided by the company and our subsidiaries to stand out from other service providers, not only meeting but exceeding our customers' expectations, through consistently high service quality, supported by safe working practices, throughout our network and supply chains.

Measures Taken to Prevent and Mitigate the Risk of Forced and/or Child Labour

In general terms, we undertook the following measures during the last fiscal year to prevent and reduce the risk of forced and/or child labour in our operations and supply chains:

- Carry out an initial internal assessment of the risks of forced and/or child labour in our supply chains in order to improve our due diligence process with regard to our suppliers;
- Initiate a review of our current policies to ensure that they help us reinforce risk reduction measures leading to any type of human rights abuse;

- Plan to reaffirm verbally and in writing on our internal and external communication platforms our zero-tolerance policy towards any form of slavery, forced labour, child labour, psychological harassment or violence within our company;
- Research training programs to inform and raise awareness among our employees about forced labour and/or child labour.

These measures will be described in greater detail in this report.

Structure, Activities and Supply Chains

Founded in 2009, Avjet is a corporation incorporated under the *Canada Business Corporations Act* that operates within the aviation industry. Headquartered in Drummondville, we have offices throughout the province of Quebec, including in Montreal, Quebec City and Sept-Îles. We offer services in over 45 locations in the provinces of Quebec, Ontario, the Maritimes and Newfoundland & Labrador. The Avjet group has over 1,000 passionate employees who share our values of commitment and teamwork.

Avjet, which operates in Canada, mainly in Quebec, offers a complete range of petroleum products and services for the aviation industry. Our supply capacity and flexibility make us a preferred distributor for the various markets of Quebec and Canada. Our activities include FBO services, hangar services and airport service points. We also sell and distribute aviation fuel and other petroleum products in barrels and bulk, as well as provide into-plan fueling services. We focused on the distribution of petroleum products in our internal assessment of the company and in the drafting of this report, in order to prevent and mitigate the risk of the use of forced or child labour at any stage of the distribution of our goods.

For our Quebec-based subsidiary TSAS, our airport ground handling services include ramp services, customer experience, cabin cleaning and aircraft de-icing. TSAS also sells and distributes de-icing products. It is on this latter service that we focused our internal assessment of the company and in writing this report, in order to prevent and mitigate the risk of using forced or child labour at any stage in the distribution of our goods.

Avjet is also the owner of its subsidiaries Services ADR inc., an airport management company, and of Gestion Avjet inc., a portfolio management company. Both subsidiaries are located in the province of Quebec.

The supply chain for our petroleum products is divided into two categories: bulk and barrel sales. Bulk fuel is collected, either directly or indirectly by subcontractors, from various refuelling points in Quebec designated by our suppliers. The loading of aviation fuels is carried out using specialized refuelling trucks, and the fuel is then transported over land to our customers via subcontractors. We purchase fuel barrels from suppliers and barrel them at our own facilities in Quebec. The barrels are then transported by land and sea to our various customers via subcontractors.

In terms of the supply chain for our de-icing products, they are delivered directly or indirectly by our suppliers in bulk to our facilities in Quebec. This product is then sold and transported in tanks by subcontractors overland to our various customers.

Due Diligence Policies and Processes Relating to Forced Labour and Child Labour

Avjet has a number of internal policies in place to help us conduct our business in an ethical and transparent manner. These policies address issues such as harassment and violence in the workplace, occupational health and safety, and airport security. These policies are applied to the activities of Avjet and its subsidiaries.

The policy against harassment and violence in the workplace allows for the confidential reporting and denunciation of situations, so that employees know they can raise concerns about how they or their colleagues are being treated, or about company practices, without fear of reprisal.

When it comes to hiring our employees, our Human Resources Department is extremely diligent in its recruitment efforts. Our recruitment process is mainly internal, including identity and criminal record checks to ensure that employees are authorized to work in compliance with applicable provincial and federal legislation. In addition, we occasionally hire students aged 16 and over, especially during the summer months, to work in our Quebec facilities and offices. These students are duly trained to perform their tasks. We also ensure that their work schedule does not interfere with their studies, and that their working conditions comply with applicable laws at all times.

Regarding our partners and suppliers, we seek assurances from them that they conduct their activities in compliance with current standards and, as the case may be, these assurances are consolidated in our agreements. We are also considering the possibility of introducing a supply chain policy that would more specifically and explicitly include clauses prohibiting the use of forced and child labour.

Determining the Risk of Forced or Child Labour

We are currently developing our method for assessing and managing the risks of forced and child labour, as part of our global approach to identifying risks in all our activities and those of our partners. We aim to identify categories of suppliers likely to present a higher risk in terms of modern slavery. Our identification and assessment methodology may combine risk indicators such as geographical area (country of head office, operating and distribution sites), vulnerable populations, supplier category, type of product or service offered by the supplier or subcontractors involved, and the frequency of our activities with these partners.

The risk score resulting from our assessment will determine the level of additional due diligence to be implemented for the partner in question, particularly with regard to forced and child labour, as well as the extent of ongoing monitoring required for our company towards the partner or when negotiating a contract with said partner.

Our identified suppliers will need to be able to demonstrate and provide evidence, when applicable, of the standards they meet, and of the fact that they demonstrate a level of due diligence based on their risk score. This is why we intend to require them to sign an attestation confirming that their methods and activities comply with our company values and applicable laws.

Among our Staff

We consider the risk of forced or child labour among our staff to be negligible. We recruit internally, and our Human Resources Department oversees the application of our policies, including equity in hiring. Our recruitment processes ensure compliance with current Canadian standards.

Within our Supply Chain

We are aware that the risk of forced labour may be present at all levels of the supply chain. For the time being, our preliminary assessment focuses on our company to determine the risk of forced or child labour, and is limited to the sphere of Avjet staff, its subsidiaries and first-level suppliers.

Currently, the internal assessment of our first-level suppliers is still ongoing. Nevertheless, given the type of industry, the complex and high-intensity nature of oil operations, and the predominance of skilled workers in the industry, forced labour and child labour are phenomena rarely seen in oil extraction, refining and transportation activities. Based on a recent study of working conditions in the oil industry carried out by the International Labour Organization, we assess that the risk of forced or child labour will be minimal regarding our direct suppliers, particularly since our refueling activities take place in Canada.

Measures taken to Assess and Manage the Risks Identified in our Operations and Supply Chains

Our corporate sustainability mission sets out objectives and commitments in the fields of environment, social and governance that are fundamental to our business. These objectives are designed to ensure that our supply chains are sustainable, ethical and respect human rights. In this sense, we wish to engage and work with partners who adhere to these same values. By publishing a statement on our communication platforms, which we intend to do, we are making this commitment a priority for the future of the company.

Our plan to obtain suppliers' attestation to their good practices would also help promote respect for human rights at every stage of their supply chain. In terms of communication and awareness-raising, we intend to share on our internal communication platforms to the attention of all our employees one or more informative video on the subject of modern slavery, such as the one produced by one of our airline industry partners, the International Air Transport Association (IATA), as part of its #eyesopen campaign to combat human trafficking.

As far as our internal policies, they are regularly reassessed and updated to ensure that they remain fit for their purpose and evolve and improve in line with legislation, corporate priorities and values. Our preliminary assessment of the internal risks within our company and in our relationships with our suppliers will enable us to determine whether Avjet should further develop these policies.

Remediation Measures

In the last financial year, we carried out an internal risk assessment of Avjet's activities, but the assessment of our suppliers' activities is still ongoing. We are not yet at the point of identifying any cases of forced or child labour in our operations or supply chains. Consequently, we have not had to undertake any measures to remedy forced or child labour.

Should we identify instances of forced labour in our operations or supply chains, we will consider appropriate remediation strategies in accordance with local and international laws and standards.

Training

All Avjet and TSAS employees undergo training at the time of hiring and on an ongoing basis, particularly with regard to company policies and procedures, emergency plans, equipment in use, and health and safety. This training is aimed at meeting company and industry standards, as well as providing and maintaining safe working conditions and a healthy work environment.

In addition, we are currently evaluating the possibility of introducing training for certain groups of employees on raising awareness for the fight against modern slavery and human trafficking, particularly in airport environments. This training would help our staff be better equipped to spot and report any concerns of forced and/or child labour that may arise in the course of their work, as well as in their personal lives or surroundings. We are currently evaluating a number of training options, including the development of in-house training and continued external training.

Efficiency Assessment

Avjet introduced a number of measures in the last financial year to reduce the risk of forced or child labour in our operations and supply chains and we intend to introduce further measures in the current year. We have not yet taken steps to evaluate the effectiveness of these actions.

We believe that the best option for our company will be to conduct a regular audit of the organization's policies and procedures relating to forced labour and child labour.

Conclusion

We recognize that respect for human rights is a fundamental corporate responsibility, as is acting diligently and responsibly in all our activities. We want to take the necessary actions to mobilize all suppliers in our supply chains to have a positive and sustainable social impact.

In conclusion, we are committed to continuing to monitor our company's supply chain to identify and control current and future risks. Based on this assessment, we will be in a better position to put further actions in place in the coming financial year to ensure that we combat all forms of modern slavery.

Approval and Attestation

This report has been approved by the Board of Directors of Avjet Holding Inc. for the fiscal year ended October 31, 2023 in accordance with subparagraph 11(4)(b)(i) of the Act.

In accordance with the requirements of the Act, and in particular section 11, I certify that I have reviewed the information contained in the report for the entity concerned. To the best of my knowledge and having exercised due diligence, I confirm that the information contained in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year referred to above.

Signed on 08/05/24

A handwritten signature in black ink, appearing to read 'Denis Jacob', is written over a horizontal line.

By: Denis Jacob

Director and President of Avjet Holding inc. and
Trans-Sol Aviation Service inc.

I have the power to bind Avjet Holding inc. and Trans-Sol Aviation Service inc.