



Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

Financial Year Ended August 31, 2024

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Introduction

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, (the “Act”), NAV CANADA (also referred to herein as “we”, “us” or “our”) is pleased to present its forced labour and child labour report (the “Report”) for the financial reporting period of September 1, 2023 to August 31, 2024 (“FY24”).

This Report outlines the efforts and actions NAV CANADA has taken over the reporting period in its approach to identify and understand the risk of forced labour and child labour in its operations and supply chain and to strengthen its controls in order to reduce and mitigate these risks.

About NAV CANADA

NAV CANADA was continued under the *Canada Not-for-profit Corporations Act* on January 17, 2013 after being originally incorporated on May 26, 1995 as a non-share capital corporation under Part II of the *Canada Corporations Act*. Our head office is located at 151 Slater Street, Suite 120, Ottawa, Ontario K1P 5H3.

NAV CANADA is the private sector, non-share capital company that operates Canada’s civil air navigation system (the “ANS”) throughout Canada. Our services are provided to aircraft owners and operators within Canadian-controlled airspace and include air traffic control, flight information, weather briefings, airport advisories, aeronautical information and navigation aids. Our core business is to manage and operate the ANS and related services in a safe, efficient and cost-effective manner.

Our Approach

NAV CANADA maintains an unwavering commitment to human rights and to its Shared Purpose of keeping Canada’s Skies Safe that includes the supporting pillars of Safety is at the Core and Partnerships are Essential, which are fundamental to our sustainability and our future. Taking action to mitigate the risk of forced labour and child labour is an integral part of this commitment.

NAV CANADA has been a signatory of the United Nations Global Compact (“UNGC”) since 2022. The UNGC provides an international framework for organizations to align their strategies, practices and operations with ten universal principles on human rights, labour, the environment and anti-corruption. NAV CANADA used the UNGC and the related United Nations Sustainable Development Goals as a framework to support the development of its Environmental, Social and Governance (“ESG”) strategy.

Measures to prevent and reduce the risks of forced and child labour

In seeking to prevent and reduce the risk that forced labour or child labour was used in our operations and supply chain, NAV CANADA took the following measures in FY24:

- conducted a high-level internal assessment of the risks of forced labour or child labour in our operations and supply chain;
- updated NAV CANADA contract templates to directly incorporate provisions and principles of the Act;
- circulated a targeted ESG questionnaire to critical and strategic suppliers to establish a baseline and obtain information on these suppliers' ESG policies, procedures and reporting metrics including, human rights, labour rights, environment, anti-corruption and material traceability;
- evaluated our existing third-party risk management (TPRM) processes to identify requirements for procuring a TPRM solution that would help our Supply Chain department monitor and manage supplier risks by providing a holistic view of suppliers across multiple areas, including compliance, reputation and sustainability;
- adopted a procurement tool to streamline the source-to-contract process to enhance visibility from the intake and which allows our Supply Chain department to proactively monitor suppliers and make confident decisions on performance, risk and sustainability; and
- in compliance with our policies, continued conducting due diligence of our potential suppliers before entering into contracts with them.

NAV CANADA also established its Supply Chain Sustainability Strategy in FY24. See “Sustainable Procurement” below for further information.

Our Supply Chain

NAV CANADA's operations are based in Canada, which, according to the Walk Free Foundation's Global Slavery Index (“GSI”), has a low risk of vulnerability to forced and child labour and comparatively robust governmental oversight of the issue. Moreover, NAV CANADA's workforce is governed by the applicable federal and provincial labour and employment standards, in addition to our policies and procedures that govern recruitment and labour sourcing.

Our suppliers primarily provide us with technology and software solutions we require in order to undertake our provision of air navigation services, as well as certain facilities, logistics, support personnel and office and other building supplies required to run our business.

In FY24, NAV CANADA conducted a high-level internal risk assessment of its supply chain to identify suppliers and countries that may be susceptible to practices that perpetuate any form of forced or child labour. The GSI was used for this exercise. The risk assessment concluded that over 95% of our first-tier suppliers are based within Canada. Canada ranks within the lowest risk range of countries in terms of forced labour and child labour prevalence according to the GSI. Canada also ranks within the group of countries who have taken the most action to combat forced labour and child labour. The risk assessment also confirmed that none of NAV CANADA's international first-tier suppliers are located in countries identified by the GSI as having a high prevalence of forced or child labour.

All new suppliers are subject to appropriate due diligence prior to trading with us. Due diligence includes identifying legal or other risks and screening suppliers to help assess if they are the subject of adverse media on issues which may be of concern.

Sustainable Procurement

In FY24, our Supply Chain department established its Supply Chain Sustainability Strategy in alignment with the NAV CANADA corporate ESG strategy. This will help align critical business operations with NAV CANADA's commitment to sustainability and industry excellence.

As an initial step towards this goal, NAV CANADA identified three priority focus areas of responsible supplier management, climate action and human rights. Responsible supplier management will allow our Supply Chain department to oversee and engage with suppliers and ensure compliance with the expectations outlined in NAV CANADA's Supplier Code of Conduct (Supplier Code) and that suppliers' activities align with NAV CANADA's commitments to the UNGC.

Our focus on human rights will ensure that proper due diligence throughout NAV CANADA's procurement and supply chain operations uphold the highest standards of human rights, and do not contribute to any form of human rights abuses. This includes taking proactive measures to ensure that all organizations within NAV CANADA's supply chain support and respect the protection of internationally proclaimed human rights, and that all individuals are protected from exploitation for personal or commercial advantage (including but not limited to, human trafficking, child labour, and forced labour), and are treated fairly and equally.

NAV CANADA embeds sustainability into supply chain operations and expects its suppliers to support its commitments to the community and environment. Sustainable procurement is considered throughout the lifecycle of obtaining products and services, from defining business needs to soliciting bids, awarding contracts and managing supplier relationships.

Policies

The following NAV CANADA policies reinforce our commitment to addressing forced and child labour:

Supplier Code

NAV CANADA is committed to sourcing responsibly and considers all activities in its supply chain that could lead to human rights abuses as unacceptable. The Supplier Code encompasses our commitment to ethical business dealings and the requirement of supplier adherence to same. Pursuant to NAV CANADA contractual requirements, any supplier seeking to do business with NAV CANADA must comply with the Supplier Code or an acceptable equivalent. The Supplier Code is principle based and sets out our expectations of suppliers with a goal of aligning supplier behaviours to NAV CANADA standards in the following key areas: business conduct, responsible business practices, responsible treatment of individuals and respect for the environment. The Supplier Code includes provisions on human rights and labour, including forced and child labour, health and safety matters and ethical behaviours. The Supplier Code seeks to promote transparency and accountability in the supply chain and ensure its principles are considered as part of our procurement and purchasing decisions. NAV CANADA is committed to working with our suppliers to support compliance with the Supplier Code, including through a contractual right to seek confirmation or to audit to verify whether a supplier meets Supplier Code expectations.

Code of Business Conduct (“CoBC”)

The CoBC maintains and requires a high standard of ethical behaviour from NAV CANADA personnel. The CoBC is intended to help employees maintain the high standard of ethical behaviour expected of a company entrusted with public safety. The CoBC addresses compliance with applicable laws, including human rights and privacy, violence prevention, discrimination and harassment prevention, fair dealing with people and organizations and reporting violations of the CoBC. Throughout the CoBC, employees are directed to appropriate internal review and redress mechanisms available within NAV CANADA to address specific situations and potential violations. NAV CANADA expects its suppliers to respect the CoBC.

Whistleblower Policy

The Whistleblower Policy supports NAV CANADA’s corporate values and ethical environment. NAV CANADA requires employees and persons and organizations working at or on behalf of NAV CANADA to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of NAV CANADA must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws. The Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that NAV CANADA can address and correct inappropriate conduct. This policy also includes guidance on how individuals can anonymously and confidentially report actual or potential misconduct through an independent whistleblowing system called SENTINEL.

Other NAV CANADA policies such as the Harassment & Violence Prevention Policy and Occurrence Resolution, the Anti-Corruption Policy, Technology and Operations, Program and Project Delivery Policy and the Enterprise Sourcing & Procurement Policy also contribute to the mitigation of any form of exploitation and unethical behaviour occurring within our operations and supply chain.

Training

As a member of the UNGC, NAV CANADA’s employees have access to the United Nations Academy, an online learning platform that provides innovative learning experiences across key ESG topics. This includes a learning plan with modules on the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.

Our Supply Chain department is also a member of the National Institute for Supply Chain Leaders. Among other things, this organization provides professional development workshops and online learning on a variety of supply chain topics including risk management, sustainability and forced and child labour.

Effectiveness and Next Steps

NAV CANADA recognizes that the embedding of responsible business conduct into our policies and practices is critical to our continuing efforts to strengthen our ability to assess our forced and child labour risks and evaluate the effectiveness of NAV CANADA’s policies and practices in this area.

NAV CANADA is committed to the continuous improvement of its supply chain due diligence practices to reduce and prevent risks of forced and child labour.

Activities NAV CANADA has planned for the financial year ending August 31, 2025 ("FY25") include exploring a TPRM solution and circulating the targeted ESG questionnaire to additional suppliers.

Approval

This Report has received approval from NAV CANADA's Board of Directors.

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 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.

I have authority to bind NAV CANADA.



Mark Cooper

Director, President and Chief Executive Officer

NAV CANADA

April 22, 2025