



Air Borealis Limited Partnership’s Annual Report for the Fiscal Year Ended December 31, 2024 on the Prevention and Reduction of Risks of Forced Labour or Child Labour

March 27, 2025

Air Borealis Limited Partnership’s Structure, Activities and Supply Chains

Air Borealis is focused on operating in compliance with all applicable laws in a socially responsible way. We strive to do business with suppliers who share these values and commitments.

Organization and Structure

Air Borealis Limited Partnership (“Air Borealis”) is a provider of air transportation services based at Goose Bay Airport in Happy Valley-Goose Bay, Labrador. The partners are NGC-Nunatsiavut Limited Partnership, owned by the Labrador Inuit Capital Strategy Trust, the Innu Development Limited Partnership owned by the Innu First Nations of Labrador, and PAL Airlines Ltd, a subsidiary of TSX-listed Exchange Income Corporation. Air Borealis Inc. is the general partner and operating entity of Air Borealis.

Business Activities

Air Borealis’ primary purpose is to support the social and economic development and prosperity of the indigenous communities of Labrador. Air Borealis strives to meet this goal through its airline passenger and cargo services to and from the coastal communities of Labrador, as well as through a broad range of other air transport services in and beyond Labrador.

Supply Chains

Air Borealis relies on a supply chain primarily located in North America. The procurement team engages suppliers of all sizes. Air Borealis has categorized its suppliers as strategic, core and other suppliers based primarily on spend and size. Goods and services purchased include fuel, aircraft parts, consumables (such as limited life parts), maintenance, and business and facility management.

Policies and Due Diligence Processes

Air Borealis adheres to a variety of policies, including policies of its partner PAL Airlines such as the Code of Ethics, which specifically addresses commitment to compliance with all applicable laws, as well as its commitment to prevent the exploitation of vulnerable individuals throughout its supply chains. Air Borealis adheres to the PAL Airlines’ Whistleblower Policy, which encourages the prompt reporting of wrongdoings, violations, or suspected violations, including instances of forced labour or child labour within its supply chain.

Air Borealis has a framework in place to assess and address risks, mitigation strategies and reporting requirements as part of its control environment. Forming part of that framework are its due diligence and remediation processes, and policies that underpin those processes.

Due diligence processes

The following are key elements in Air Borealis' effort to prevent forced labour and child labour in their respective operations and supply chains:

- Air Borealis provided Air Borealis' Supplier Certification - Modern Slavery to their strategic and core suppliers (identified as described above). This certification described forced labour and child labour consistent with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and required the supplier to certify the following:
 - o The supplier read and understood the certification;
 - o The supplier has and will maintain sufficient diligence in its operations and supply chains to identify the use of forced labour and child labour and will make such diligence information available upon request;
 - o The supplier will report any incidents of forced labour or child labour identified; and
 - o The supplier will also take appropriate remedial action if any instances of forced labour or child labour are identified.

Furthermore, the suppliers were asked to acknowledge that a Reporting Entity could terminate its business relationship with the supplier in the instance that the supplier provides false information or if the supplier were to breach any of the undertakings in the certification.

Air Borealis previously sent out 12 certifications to strategic and core suppliers and achieved a 100% compliance rate. There were no changes to their strategic and core suppliers identified during 2024.

Parts of Business and Supply Chain that Carry a Risk of Forced Labour and Child Labour

No specific parts of Air Borealis' businesses or supply chains carry an increased risk of forced labour or child labour. Air Borealis operates in, and a majority of Air Borealis' suppliers are from, geographies that have modern slavery or similar regulations in place, thereby substantially mitigating geographic or country risk. Further, Air Borealis operates in industries that are highly regulated with sophisticated supply chains, further mitigating the risk of forced labour and child labour.

Remediation, if applicable

Not applicable. We have not identified any forced labour or child labour in our activities or supply chains.

Remediation of Vulnerable Family Loss of Income, if applicable

Not applicable. We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

Training of Employees

Air Borealis management developed mandatory organization-wide internal web-based training for identified employees with procurement and/or finance responsibilities. The web-based training was developed by a related entity and was monitored for completion internally using a training platform. The length of the training was approximately one hour and covered both child labour and forced labour. All applicable employees have completed the training to date.

Effectiveness

In preparing this Report, Air Borealis engaged a cross-functional working group with individuals responsible for the oversight of operations and procurement, legal, and finance across the businesses and related entities. Air Borealis executive management team members with specific operational responsibility for Air Borealis were also asked to provide feedback on this Report prior to the approval of the Air Borealis' Board of Directors.

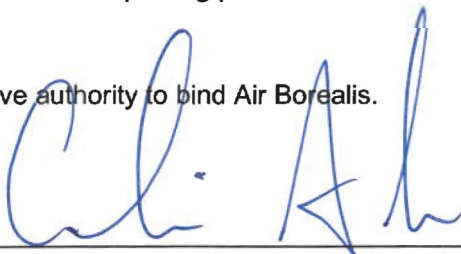
Based on the procedures performed, including supplier certifications and additional diligence, as required, no child labour or forced labour has been identified in Air Borealis or any of its supply chains. We intend to continue monitoring for indicators of child labour or forced labour in our supply chain, including performing diligence on new vendors, performing additional diligence on existing vendors to the extent we learn of material changes in their circumstances (e.g., a change of control; they utilize new sources in their supply chain, especially from locations with higher risk of child labour or forced labour); and including anti-child labour and forced labour representations in new material supply agreements with vendors.

Approval

This Report has been approved by Air Borealis' Board of Directors pursuant to Section 11(4)(a) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

In accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the 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 period listed above.

I have authority to bind Air Borealis.



Calvin Ash, on behalf of Air Borealis



Ashlynn Burry, on behalf of the Board of Directors of Air

Borealis March 27, 2025