FROM STRATEGY TO DELIVERY

Investing in what matters

Exchange Income Corporation

2025 SUSTAINABILITY PROGRESS REPORT

Table of Contents

Who We Are

Organization and Structure

Exchange Income Corporation ("EIC" or the "Corporation") is a diversified, acquisition-oriented company, incorporated in Canada, and is listed on the Toronto Stock Exchange trading under the ticker symbol EIF. EIC's business strategy is to invest in profitable, well-established companies with strong cash flows operating in niche markets and is focused on opportunities in the Aerospace & Aviation and Manufacturing segments. EIC, together with its subsidiaries, has approximately 9,000 employees and operates across 7 jurisdictions, including Canada, United States, Ireland, United Kingdom, United Arab Emirates, Netherlands and in the Caribbean. EIC's head office is located in Winnipeg, Manitoba, Canada. Companies within the EIC group generally share centralized governance, legal, IT, and tax functions as well as certain policies and procedures.

Activities

EIC operates in two operating segments: Aerospace & Aviation and Manufacturing. Within those segments it operates within six business lines – Essential Air Services, Aerospace, Aircraft Sales & Leasing, Environmental Access Solutions, Multi-Storey Window Solutions and Precision Manufacturing & Engineering. EIC's subsidiary operations are supported by the EIC Head Office, which is comprised of executives, information technology, legal, treasury, tax, controls and risk and other experts.

The Aerospace & Aviation segment operates in Canada, United States, Ireland, United Kingdom, United Arab Emirates, Netherlands and in the Caribbean. It provides aviation services and aircraft parts to entities throughout the world.

The Manufacturing segment operates in Canada and the United States.

EIC was founded in 2002, joined the Toronto Stock Exchange (symbol EIF) in 2004 and is a member of the S&P/TSX Canadian Dividend Aristocrats®. For more information, please visit **exchangeincomecorp.ca**.

EIC by the Numbers

PERFORMANCE YOU CAN TRUST. GROWTH YOU CAN SEE.

20%+
AVERAGE ANNUAL COMPOUNDED SHAREHOLDER RETURN SINCE INCEPTION

~5%
DIVIDEND CUMULATIVE AVERAGE GROWTH RATE

BBB (low)
INVESTMENT GRADE CORPORATE CREDIT RATING

$1B+
DIVIDENDS PAIDS SINCE INCEPTION

$3.3B
REVENUE

$755M
ADJUSTED EBITDA

9,000+
EMPLOYEES

~$2B
GROWTH INVESTMENTS MADE IN SUBSIDIARIES SINCE INCEPTION

~$2B
ACQUISITION INVESTMENTS SINCE INCEPTION

CONFIDENT IN OUR VISION
UNMATCHED IN OUR POSITION

Aerospace & Aviation

Essential Air Services

- Medevac, passenger, cargo, charter services primarily to remote communities
- ~250 aircraft
- ~15,000 medevacs for the reported period
- ~1,900,000 passengers carried for the reported period
- ~35,000,000 kilograms cargo delivered for the reported period
- Flight training school providing integrated university degrees in commercial pilot programs
- Essential service covering 80% of Canadian geography

Aircraft Sales & Leasing

- Global solution for regional aircraft needs
- 70 aircraft owned at December 31, 2025
- 139 engines owned at December 31, 2025
- Inventory of key parts for multiple platforms
- Global customer base

Aerospace

- Design, build, maintain, and operate special mission aircraft
- 19 owned/operated aircraft
- 16,000 Mission hours flown annually
- Global presence

Manufacturing

Multi-Storey Window Solutions

- Design, manufacture, and install advanced window and railing systems
- ~900,000 square feet of manufacturing space
- Manufacturing in Canada and the United States

Precision Manufacturing & Engineering

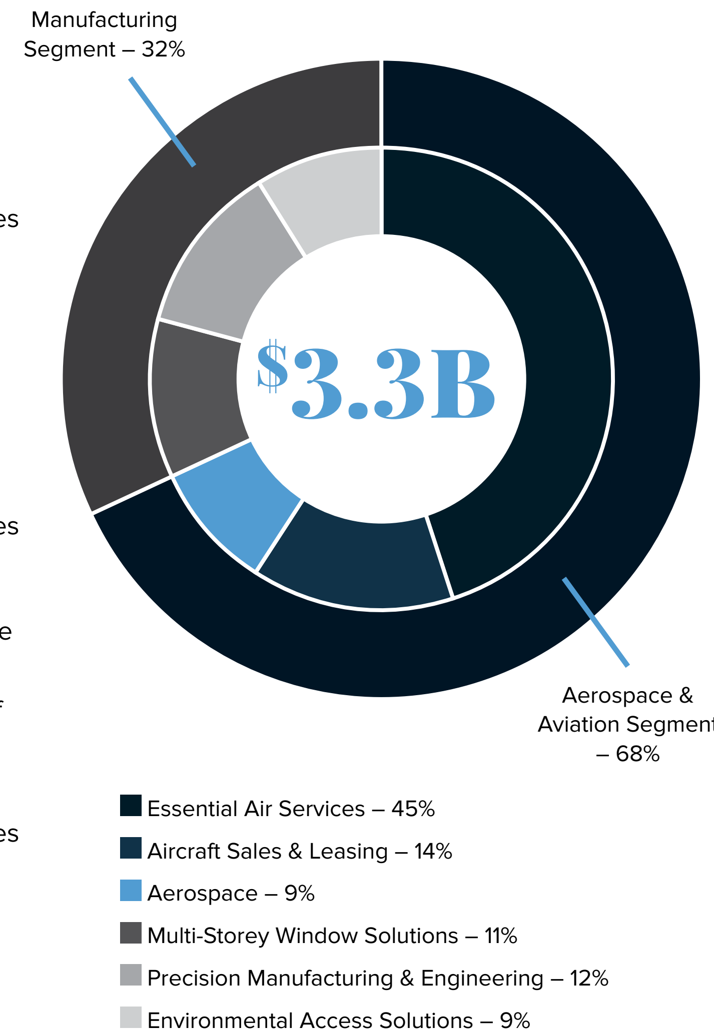
- Critical components manufactured for a diverse industrial customer base
- > 700,000 square feet of manufacturing space
- Niche, specialty products & services
- Manufacturing in Canada and the United States

Environmental Access Solutions

- Full service provider of access mats & portable bridges
- Diversified customer base across a number of industries
- Manufacturer of wood and composite mats
- Manufacturing in Canada and the United States

2025 YEAR IN REVIEW VIDEO
Strategy to Delivery

2025 ANNUAL REVENUE BY BUSINESS LINE (%)



About this Report

This document serves as an addition to the following publications, all of which are available on SEDAR+ and our website, as applicable:

- 2025 Annual Report
- 2025 Modern Slavery Report
- 2025 Annual Information Form
- 2026 Management Information Circular
- Code of Ethics

Within these pages, we offer a summary of EIC's commitment to sustainability and our ESG initiatives. This report aims to showcase EIC's dedication to ESG priorities, detailing our ambitions, strategies, and the progress we have made in alignment with the outcomes of an ESG materiality assessment conducted in 2021 and updated annually thereafter. The report is a joint report by EIC and the legal entities listed to the right, which are controlled by EIC (collectively, the "Reporting Entities," "Subsidiaries," "we" or "us").

The contents cover the 2025 fiscal year, spanning from January 1 to December 31 unless otherwise noted. Financial figures are presented in Canadian dollars, while environmental statistics and additional data are measured in metric units. To facilitate understanding, explanatory endnotes are appended to the document. Future reports will address transactions that occur after December 31, 2025.

Our commitment to transparency and accountability is steadfast; we will consistently report on our performance and advancements through annual sustainability disclosures. Furthermore, we value and maintain open communication with all stakeholders, ensuring their insights inform our journey forward. This report has undergone review by our senior leadership and subject matter experts. The metrics included within have not been subject to external verification at this time.

For inquiries or feedback, please contact Investor Relations at **pplaster@eig.ca**.

We publish our Sustainability Report annually to provide information on our environmental and social responsibilities, the strategies we use to govern our approach and the performance and progress achieved.

16016774 Canada Inc.[1]
16709630 Canada Inc.
2415794 Ontario Ltd.
2428349 Alberta Ltd.
7328010 Canada Ltd.
8900973 Canada Ltd.
Advanced Paramedic Ltd.
Advanced Window, Inc.
Allan Windows Group Inc.
Allan Window Technologies International (CA) Inc.
Alliance Maintenance GP Inc.
Alliance Maintenance LP
Armand Duhamel & Fils Inc.
Atlantic Avionics Inc.
Ben Machine Products Company Incorporated
Bradley Air Services Limited
BVGlazing Systems Inc.
Calm Air GP Inc.
Calm Air International LP
Canadian North Inc.
CANLink Aviation Inc.
Carson Air Ltd.
CarteNav Solutions, Inc.
Central Point Procurement Inc.
Custom Helicopters Ltd.
Dallas Sailer Enterprises, Inc.
DECA Aviation Engineering Ltd.
DryAir Manufacturing Corp.
DryAir US, Inc.
EIC Aircraft Leasing Limited
EIC Communications USA Inc.
EIC Flight Training Academy GP Inc.
EIC Flight Training Academy LP
EIC Holdings Corporation
EIC Shared Services Inc.
EIC US Aerospace and Defence Holdings, Inc.
EIIF Management USA, Inc.
Exchange Petroleum USA, Inc.
Exchange Technology Services USA, Inc
Exchange Technology Services Inc.
Global Architectural Contracting Inc.
Global Architectural Metals Corporation
Hansen Industries Ltd.
ISR Support Europe B.V.
Keewatin Air GP Inc.
Keewatin Air LP
L.V. Control Mfg. Ltd.
MacFab Manufacturing Inc.
Newfoundland Helicopters Limited
NMB East (GP) Ltd.
Northern Mat & Bridge (East) Limited Partnership
Northern Mat & Bridge (GP) Ltd.
Northern Mat & Bridge Limited Partnership
OM GP Inc.
Overlanders Manufacturing LP
PAL Aero Services Ltd.
PAL Aerospace Ltd.
PAL Aerospace – ISR Ltd.
PAL Aerospace (UK) Ltd.
PAL Airlines Ltd
PAL Australia Aerospace Pty Ltd.
PAL Middle East FZ-LLC
Perimeter Aviation GP Inc.
Perimeter Aviation LP
Provincial Aerospace Ltd.
Provincial Aerospace Netherlands BV
Provincial Airlines (Curacao) Limited BV
Quest USA, Inc.
R1 Lease Services Limited
Regional One, Inc.
Southern Interior Flight Centre (1993) Ltd.
Spartan Composites, Inc.
Stainless Fabrication, Inc.
Team J.A.S. Inc.
Water Blast Manufacturing LP
WBM GP Inc.
WesTower Communications Ltd.
Window Installation Specialists, Inc.

FORWARD-LOOKING INFORMATION

The report contains forward-looking statements that are subject to risks and uncertainties. Please see EIC's caution regarding forward looking information on page 68.

Chairman & CEO Message

ESSENTIAL SERVICES EXCEPTIONAL RETURNS

At EIC, we have always believed in doing the right thing because it's the right thing to do. That principle has guided our decisions, shaped our culture, and influenced the way we serve our customers, support our employees, and contribute to our communities. It also serves as the foundation of our sustainability journey.

As we reflect on the past year, we are proud of the progress we have made in advancing our sustainability commitments while continuing to deliver value for our stakeholders. Sustainability is not a separate initiative at EIC. It is integrated into how we operate, innovate, and plan for the future.

A significant milestone this year was the completion and approval of our $20 million King Air full-motion flight training simulator. This investment reflects EIC's commitment to both safety and environmental responsibility. By enabling pilots to conduct increasingly sophisticated training in a realistic, simulated environment, we significantly reduce the need for aircraft-based training flights, and the associated fuel consumption and emissions. At the same time, our pilots continue to gain the critical experience required to maintain the highest standards of operational excellence, helping ensure our fleet remains among the safest in the air. This investment demonstrates how innovation can support both environmental stewardship and safety leadership, while contributing to our long-term sustainability objectives.

Our commitment to sustainability also extends to creating opportunities and supporting the communities we serve. This year, we proudly celebrated the fourth graduating class of the Atik Mason Indigenous Pilot Pathway Program in Thompson, Manitoba, and the second graduating class in Rankin Inlet, Nunavut. This fully funded program is designed to reduce barriers to aviation careers and provide Indigenous students with the training, mentorship, and support needed to pursue long-term careers in the industry. Since the program's inception, 25% of participating students have been onboarded as full-time employees with an EIC operator, demonstrating the program's success in creating meaningful employment opportunities and strengthening Indigenous representation within the aviation sector. Beyond developing future aviation professionals, the Atik Mason Indigenous Pilot Pathway Program reflects our commitment to investing in local talent, supporting economic development in Northern and Indigenous communities, and building a more diverse and inclusive workforce. We are proud of the achievements of our graduates and look forward to continuing to expand opportunities for future generations.

As a provider of essential services, we recognize our responsibility to balance economic performance with environmental and social impact. We remain focused on reducing our environmental footprint, investing in our people, strengthening our communities, and upholding the highest standards of governance. Guided by our longstanding belief in doing the right thing because it's the right thing to do, we continue to deliver critical services, generate exceptional returns for our shareholders, and create long-term value for all stakeholders.

While we are proud of our progress, our work is never complete. We will continue to seek opportunities to improve our performance, increase our positive impact, and build a stronger, more sustainable future.

Thank you for your continued support and partnership on this journey.

– Mike Pyle, CEO & Don Streuber, Chairman

Mike Pyle, CEO

Don Streuber, Chairman

Our Sustainability Pillars

At EIC, we have always prioritized making the right choice for the long term over the easy choice for the short term. Effective management of ESG is consistent with our core values, key to long-term success, and essential to defining EIC's future. ESG encompasses how we govern our business, minimize our environmental impacts, invest in and support our employees, serve our customers, engage with our communities, and report on our performance.

EIC made significant progress in all dimensions of ESG in 2025 as it continues to be core to our values and operations strategy. From expanding the Atik Mason Indigenous Pilot Pathway Program ("Pathway") to completing and putting into service the full motion simulator, the initiatives and data in the report demonstrate a steadfast commitment to addressing the most prominent issues facing our global and local communities as seen through the eyes of our stakeholders. EIC is committed to further advancing our sustainability strategy in 2026.

HIGHLIGHTS 2025

Governance	Environment	Social	
100% of board members participated in subsidiary learning	Brought full motion **$20M training simulator** online	Hosted 3 in-person leadership conversations facilitated by a third party expert to **advance DEI strategy**	Celebrated the graduating classes of the **Atik Mason Pilot Pathway Program** in Rankin Inlet, NU & Thompson, MB
Continued optimizing our **Cybersecurity Program** to improve the policies and processes that protect our systems and information	Improved our GHG emissions and inventory management plan with **improved data collection**	**> $13 million spent in community events** ranging from traditional & cultural celebrations to sports teams and economic investment	100% of board, executive, and senior leadership completed **Truth & Reconciliation and Unconscious Bias training**
Expanded the integrated **enterprise risk oversight** function	**Upgauged 6%** of our aircraft fleet	100% of employees enrolled in wellness programs	**More than 135 students** received financial support & mentorship from EIC

Sustainability Governance

Strategy & Execution[2]

CEO, President, EVPs, COO, CCDO, CFO, CLO, CAO, CTO, CIO, CCRO, CTaxO

Development, Reporting, Analysis & Controls

Senior Leadership (includes CEOs, Presidents, and CFOs of operating subsidiaries)

Operational responsibility for sustainability and ESG issues has been assigned to a senior member of EIC's leadership team, who reports to the CEO. We have engaged ESG advisory firms to assist in the development and execution of our sustainability strategy when deemed appropriate

Board of Directors

The Board fulfils its governance role directly and through committees to which it delegates certain responsibilities. The Board evaluates ESG related matters that affect EIC, such as climate, health and safety, human capital, diversity, equity, and inclusion, data privacy, cybersecurity, and the use of artificial intelligence (AI), on a regular basis. EIC has multiple levels of oversight and management for ESG matters.

Responsibility for Topics

Operations

- Climate
- Safety
- Quality
- Community

HR

- Respect for Human Rights
- Talent Development
- DEI
- Indigenous Relations

IT

- Cybersecurity
- Data Protection
- IT systems
- Use of AI

Reporting & Controls

- KPIs
- Planning
- ERM
- Materiality Assessment
- Reporting

Subsidiaries: Operational management of sustainability topics

Recognized sustainability standards:

- Ten principles of the UN Global Compact
- Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- International Labour Organization's Declaration on Fundamental Principles and Rights at Work; and
- United Nations Declaration on the Rights of Indigenous Peoples

Anchored through our Code of Ethics:

- Code of Ethics

Specified in our Policies:

- Privacy
- Cybersecurity
- Tax
- Environmental
- Freedom of Association
- Diversity, Equity, and Inclusion
- Health & Safety
- Quality & Safety
- Indigenous Relations

We review and update, and provide employee training and support, with respect to our sustainability policies periodically and as necessary to strengthen our ability to manage our most material ESG issues. All our policies include clear and tangible commitments. We hold senior management accountable for compliance with these policies.

Governance Committee

Primary responsibility for oversight and coordination of ESG matters rests with the Governance Committee of our Board. The Governance Committee meets at a minimum two times per year. All members of the Governance Committee are independent.

Audit Committee

Primary responsibility for oversight and monitoring risk management, including climate, data privacy, cybersecurity, and the use of AI, rests with the Audit Committee of our Board. The Audit Committee meets at a minimum of four times per year. All members of the Audit Committee are independent and two members are financial experts.

Compensation Committee

EIC's executive compensation program which rewards executives for successfully executing on our overall strategy, including ESG objectives, is the responsibility of the Compensation Committee. EIC has voluntarily provided Shareholders the right to cast an advisory vote on the approach for executive compensation. The Compensation Committee meets at a minimum of two times per year. All members of the Compensation Committee are independent.

Stakeholder Engagement

The landscape of ESG priorities is ever-evolving, and EIC is committed to adapting to meet these changing expectations. Our primary stakeholder groups are identified as customers, employees, communities, capital providers (including insurers and shareholders), along with policymakers and regulators. We actively engage with these groups annually to reassess our initiatives and stay aligned with their priorities. This engagement helps integrate their perspectives with EIC's vision and strategy, thereby shaping our goals to ensure they are both impactful and credible.

To pinpoint the issues of greatest importance to each stakeholder group, EIC employs a materiality assessment that utilizes multiple engagement techniques. We have recently updated our materiality matrix to reaffirm the most critical priorities. Initially, we selected a broad array of ESG topics that reflected the principal concerns within the industries we operate and the focal points reported by our peers. For the issues most pertinent to our customers, employees, communities, and policymakers, we gather insights from relevant internal experts. Additionally, EIC has conducted bench-marking analyses with a variety of capital market participants and shareholders to further refine our focus.

STAKEHOLDER GROUP	WHY	HOW DO WE ENGAGE	
Customers	EIC provides essential services and niche products safely to its customers.	• Social Media • Websites • Conferences	• Customer meetings/ interactions • Satisfaction surveys
Employees	Recognizing the positive impact employees make at EIC and for its customers and communities, EIC maintains a safe and healthy work environment, attracts and develops talent, creates growth and development opportunities, and drives a diverse and inclusive culture.	• Town halls • Employee engagement surveys • Performance reviews • Safety opportunity submissions • One-on-one meetings • Safety committees	• Intranet & newsletter stories • Employee exit interviews • Social media • Mentorship programs • Circle of Excellence program
Communities	EIC is committed to helping create positive social and economic impact in the communities where it operates and plays an essential role in the areas of the environment, inclusive economic growth and prosperity and building a more sustainable economy.	• Media relations • Town halls & round tables	• Community events • Engagement with community representatives
Shareholders **Capital Providers** **Insurers**	Through strong governance, EIC enhances shareholder value and delivers a robust capital position and balance sheet.	• Quarterly & Annual Reports • Annual General Meeting • Earnings conference calls	• Investor conferences & events • Analyst day & tours • Meetings with insurers
Policy Makers **Regulators**	Policy makers and regulators set the standards and rules that ensure the marketplace is safe, consistent and fair to everyone.	• Review of regulations • Leadership positions within Industry Groups • Industry Meetings	• Conferences • Contract negotiations • Regulatory reviews and audits

>450
COMMUNITY ENGAGEMENTS

>300
CONFERENCES

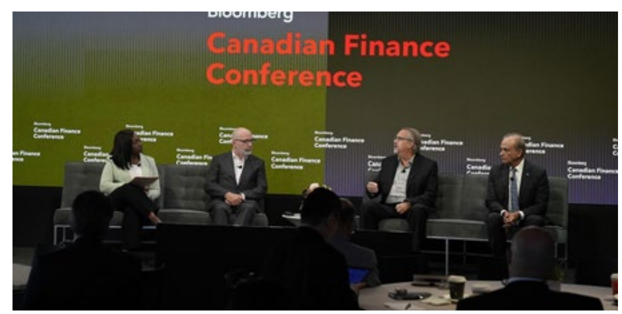
>700
TRADE & INDUSTRY ASSOCIATION MEETINGS

>170
UNION MEETINGS

~150
INVESTOR MEETINGS

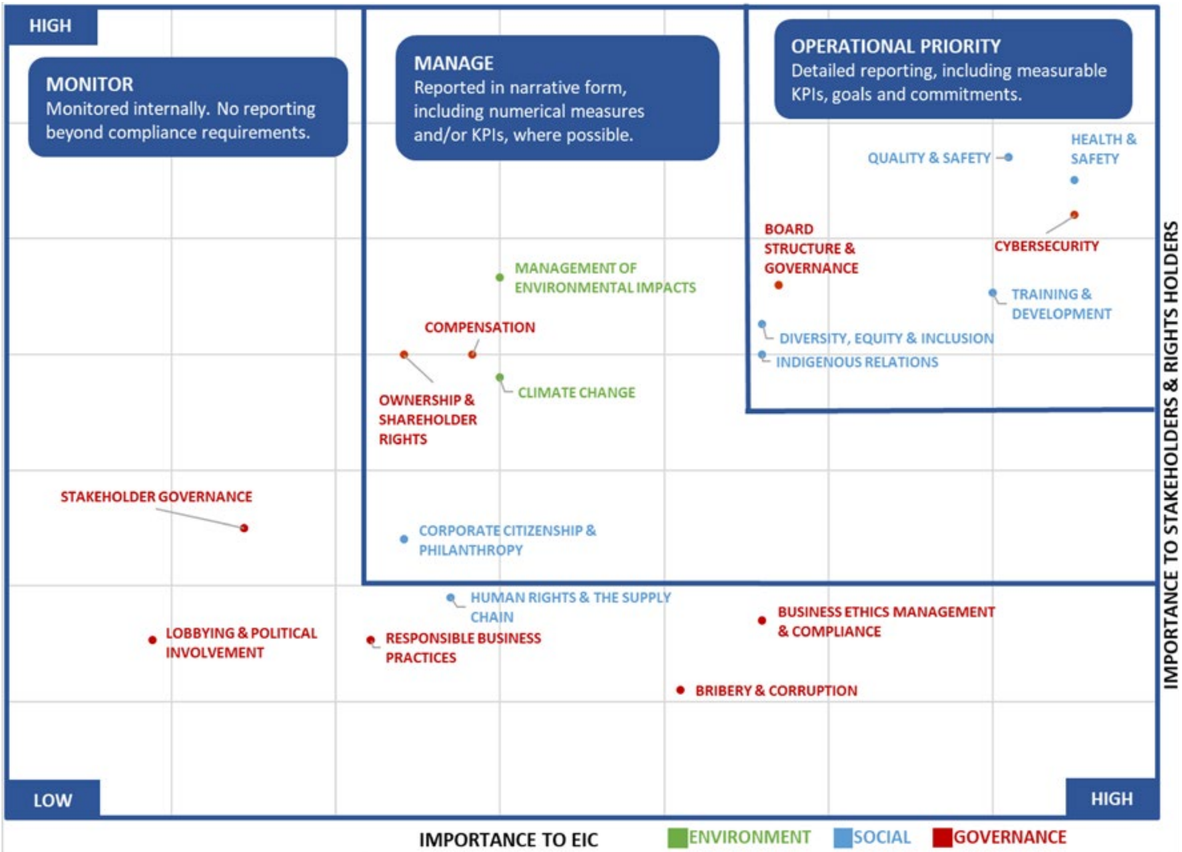
~150
REGULATORY MEETINGS

Consolidated across all operating subsidiaries[3]



Our Approach to Materiality

Listening to and engaging with our stakeholders is central to how we shape our ESG strategy. In 2021, we conducted an internal assessment to understand which ESG risks and opportunities are the most important to our business and to those that are impacted by our company operations. We have updated that matrix annually thereafter.



STEP 1
External Engagement

Identified material ESG topics based on analysis of disclosures made by peer companies, ESG rating firm's assessment frameworks, and ESG disclosure standards. This represents the external perspective of stakeholders, such as employees, investors, communities, customers, and governments.

STEP 2
Internal Engagement

Solicited internal feedback on these topics from EIC's executive team, subject matter experts within EIC, and leaders from our operating subsidiaries.

STEP 3
Analysis Of Results

Plotted the results on a materiality matrix, which positions each ESG topic according to its importance to internal and external stakeholders.

STEP 4
Priorities & Strategies

Used the materiality matrix to prioritize our sustainability efforts with an understanding of the material topics that are critical for our business activities and most significant to our stakeholders.

STEP 5
Reassessed Regularly

Through ongoing engagement with stakeholders across the organization and review of leading standards and frameworks, we identify the most material ESG issues facing our businesses and adjust our priorities and strategies accordingly.

ESG Rating Agencies

Public ESG and sustainability reporting may be expected by lenders, investors, shareholders, and other stakeholders. Specialized ESG rating agencies offer insights into corporate governance and risk, along with scores and evaluations that help assess companies and investments against ESG and sustainability criteria. EIC discloses to, and is rated by, several ESG rating agencies and we recognize that our sustainability performance, as rated by these agencies, has become a component of stakeholder decision making. This industry is constantly evolving and concerns have been raised regarding the lack of consistency between different rating agencies and methodologies. Our goal is to maintain and enhance our ESG rating scores to demonstrate continuous improvement in our ESG activities and we have been successful in our efforts, as evidenced by public ratings.

AGENCY	RATING	TREND
MSCI	Average	▲
SUSTAINALYTICS	Medium	▲
ISS ESG	D+	Stable
CDP	SME B[4]	Stable
ecovadis	Good[5]	▲

WesTower has earned a Carbon Disclosure Project (CDP) rating of SME B for Climate in recognition of its sustainability reporting efforts in 2025.


PERIMETER


C-FHRC


C-GILK

Investment of Choice

Board Structure

Best Practices & Policies

- Separate Chairman & CEO
- Independent Board Chair
- 100% of all Board committee members are independent
- Hold regular in-camera meetings (Independent Directors only)
- Code of Ethics, an Insider Trading Policy, Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy, a Conflict of Interest Policy, a Disclosure Policy, and a Competition Policy
- Annual, individual Director elections
- Limit the number of outside other public company directorships
- None of the nominees serve together on the same board of another public company
- Say on Pay Advisory Vote on executive compensation

Strong Oversight

- ESG matters and climate risk
- Management succession planning
- Cybersecurity and the use of AI
- Part of CEO, executive and senior leadership annual incentive compensation is linked to ESG goals
- Annual Board, committee, and Director performance evaluations including one-on-one meetings between individual directors and the Chairman of the Board
- Ongoing Director education, training and support

What we do not allow

- No Directors or management are allowed to engage in hedging or derivative trading in the Company's securities
- No loans to any Directors
- No slate voting for Directors
- No staggered voting for Directors
- No unequal voting structure

Engaged & Diverse Board

- 73% Independent Directors
- 36% of Directors identify as women, meeting the 30% target
- One Director identifies as being a member of a visible minority or Indigenous Peoples, meeting the target for diversity other than gender diversity
- Share ownership guidelines for Directors and Executives
- New Director orientation and mentoring
- Regular review of Board and Committee mandates
- Rigorous Board and Executive succession planning
- On site meetings and tours of operations

SAY ON PAY

90.36%

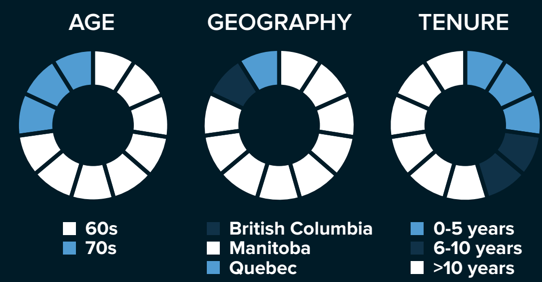
IN FAVOUR

Board Structure

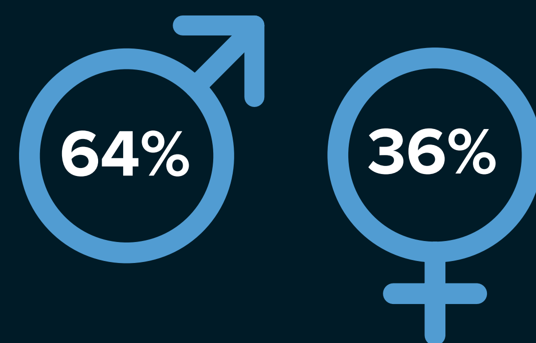
NUMBER OF DIRECTORS

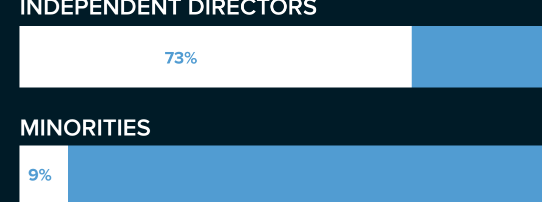
11

100% ATTENDANCE IN 2025



GENDER DIVERSITY





Governance and Business Ethics

We hold ourselves to a high standard of governance and are continually taking steps to strengthen our performance and accountability. In light of the importance of sustainability and ESG topics we aim to have all employees, from leadership roles to frontline employees, understand the importance of ESG, its relevance to our performance, and how we manage and hold ourselves accountable. We continued to provide ESG education to all members of our leadership team in 2025. The establishment of ESG metrics and measurements is a high priority. We are committed to making annual progress in this focus area, and as such have established a baseline against which to track and review key ESG metrics. We use this baseline to improve our ESG performance and strengthen our disclosure practices.

We know that compensation and incentives tied to ESG performance are important ways to ensure transparency and accountability. We continue to refine our framework for incorporating ESG-linked incentives and compensation. We are committed to conducting all aspects of our business with the highest levels of ethics and integrity. The relationships and trust with our employees, suppliers, customers, clients, investors, and communities are of utmost importance to us. We define our values and expectations for ethical behaviour in our Code of Ethics (the "Code"). The Code is intended to promote the highest standards of integrity and accountability in the conduct of our business and guides how we put our principles of transparency, ethics, and professionalism into practice each day. The Code includes topics such as conflicts of interest, confidentiality, and anti-bribery and anti-corruption (ABC). We review the Code periodically and update as required. All employees are required to review the Code at commencement of employment. Annually, the Code and related policies, such as our ABC and Whistleblower policies, are communicated or brought to the attention of all employees of EIC and our subsidiaries. In addition, all Directors, Executives, Senior Leadership and Management are required to annually acknowledge and to take all reasonable measures to ensure the employees under their supervision comply with the Code. Employees are encouraged to ask questions or raise concerns when they are unsure if a behaviour or activity conforms to our values or our Code, and our Whistleblower policy protects employees, reporting in good faith, from any retaliation. If preferred, concerns can be raised anonymously through our Whistleblower hotline. Reports of potential breaches of our Code are investigated with the oversight of the appropriate Board Committee.

100% of EIC employees read and acknowledge our Code of Ethics

FOCUS AREA: Code of Ethics

Why it's important: It provides a framework for ethical, community building behaviour.

For more details about our governance practices, refer to the Sustainability Governance section of this report and our most recent Management Information Circular.

In 2025, EIC was not the subject of regulatory investigation or penalties under any of the following laws: anti-corruption, competition, or anti-trust; or money laundering or terrorist financing.

Political Contributions

EIC works constructively with all levels of government across its network, regardless of political affiliation. EIC believes in the right of individuals to engage in the democratic process; however EIC itself does not make any political donations and does not incur any political expenditures.[6]

0
COMPETITION LAW VIOLATIONS

0
ABC FRAUD REPORTS

100%
COMPLIANCE FOR TRAINING

Enterprise Risk Management

EIC assesses and mitigates risks through its risk management processes. Key risks are continually monitored and reported through our Enterprise Risk Management (ERM) program. EIC's formal ERM program is a continuous process, with a dedicated risk leader and a supporting risk committee, to ensure key risks and their associated mitigation strategies remain relevant and timely, including consideration for emerging risks. Overall risk information is reviewed by the Board or the relevant Board committee on a quarterly basis, or more frequently when required. In addition, Board committees review and discuss with management, on a regular basis, key enterprise risk exposures based on their respective terms of reference set out in committee charters and the steps taken to monitor, control, and mitigate those exposures to effectively manage risk.

Risks that may be material to EIC are identified and monitored on an ongoing basis through EIC's ERM framework, which supports governance and oversight over the Company's strategic, financial, and operational risks, including external and human capital and integrity and conduct risks. ERM risk reporting is maintained by the Controls and Risk Department, which provides an update to the Audit Committee as to the state of each enterprise risk on a quarterly basis, or more frequently as required. Insight is provided on a regular basis to the Board of Directors through the Audit Committee, which has specific oversight responsibilities of the Company's enterprise risks.

Risk Management

EIC maintains a strong risk management culture to protect and enhance corporate value and sustainability. Our ERM program helps us manage risk throughout the organization.

The formalized framework applies a systematic approach to managing conditions of uncertainty by applying policies, procedures, and practices in the analysis, evaluation, control, and communication of key risks and, where possible, integrating risk management into strategic, financial, and operational objectives. This ongoing process includes an assessment of current risk exposures, risk mitigation activities currently in place to address such exposures, and additional risk mitigation activities to consider going forward.

Privacy and Cybersecurity

EIC has established Privacy and Cybersecurity policies that include guidelines and provisions for preserving the security of our data and technology infrastructure. EIC's Chief Technology Officer reports on our cybersecurity strategy to the EIC Audit Committee and the EIC Board on an annual basis, at minimum. Updates on the strategy are provided periodically to the Audit Committee and/or the Board and to EIC's executive team as necessary .

In an age of constant technological advancement and an ever-changing threat landscape, it is essential we keep up with the latest in security management and proactively improve. We have established a robust data privacy and cybersecurity strategy, which enables us to further strengthen our cybersecurity measures while remaining agile in identifying and responding to new developments and threats as they arise.

We understand the more we rely on technology to collect, store and manage information, the more vulnerable we can become to security breaches. For this reason, we have outlined considerable security measures in our mobile device, social media and email/Internet usage policies to inform EIC team members on how to protect personal and company devices, safely use email, manage passwords and transfer data securely.

EIC's Privacy Policy outlines our commitment to protect and respect the privacy of personal information in accordance with all applicable privacy laws. We have taken additional measures to implement a Cybersecurity Incident Response Plan that outlines workforce responsibilities and how to report any suspected incidents. Regular training is provided to employees regarding how to detect scam and phishing emails, and we encourage our employees to reach out to EIC's legal and IT departments with questions or concerns.

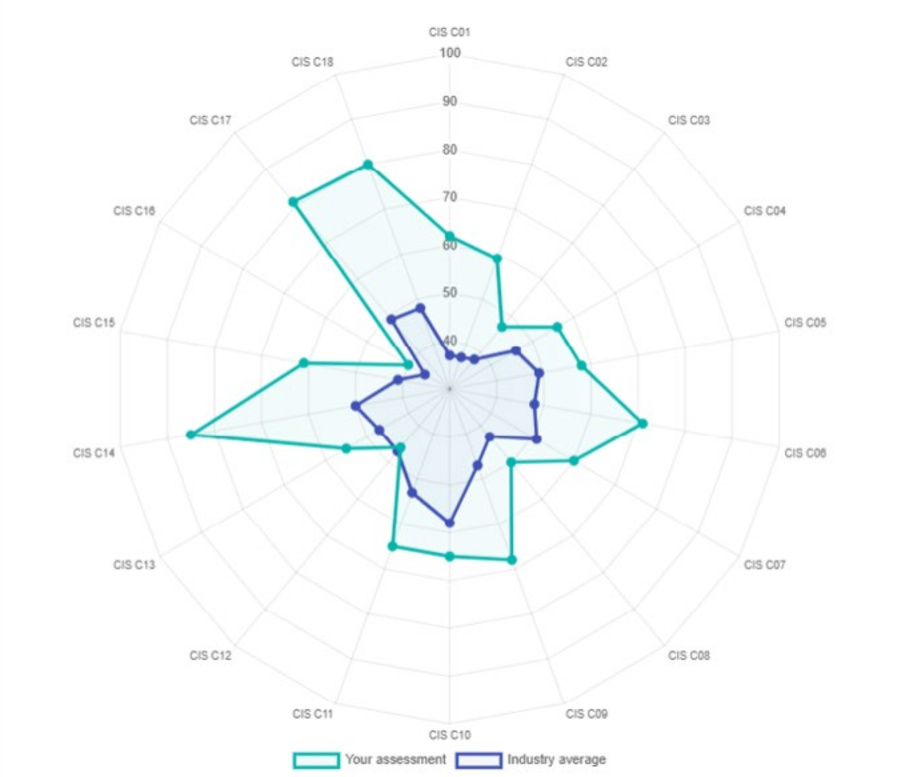
FOCUS AREAS:
Cybersecurity & Data Privacy

Why it's important: Our employees increasingly interact with customers and other stakeholders through information technology and we must protect the security and privacy of those communications to build trust and protect our reputation.

100% of employees with access to company issued assets received security & phishing training.[7]

Center for Internet Security

As part of the IT Risk & Compliance program, EIC has adopted the Center for Internet Security (CIS) as the main framework for internal audits and established a roadmap to audit EIC subsidiaries and ensure that cyber risks are identified and treated appropriately. EIC achieved a score of 62 on the CIS, compared to the industry average of 26. All control areas measured in the system were better than the industry's average as depicted in the chart below. These assessments are part of a life cycle where weaknesses are identified and improved upon.



EIC CORPORATE AVERAGE

62

INDUSTRY AVERAGE

26

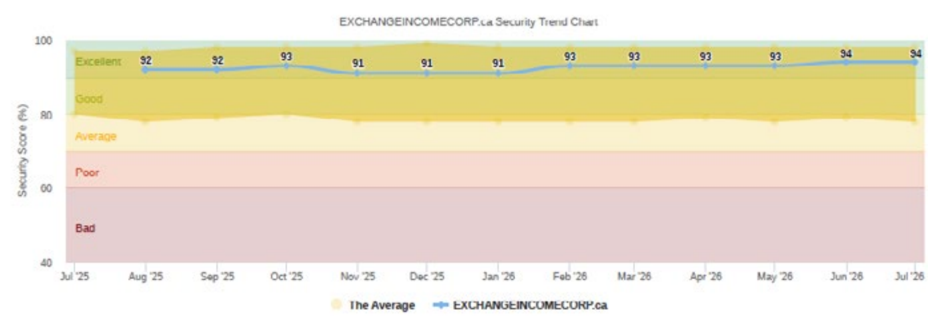
Organizations used for Average: 256

Black Kite

EIC has scored an A on the Black Kite Technical rating. Black Kite follows and applies commonly used frameworks developed by the MITRE Corporation for scoring software weaknesses in a consistent, flexible, and transparent manner, converting highly technical terms into simple letter grades. The platform leverages MITRE and NIST to further confirm the criticality of each cybersecurity threat.

Cyber Risk Benchmark

The Cyber Risk Benchmark begins with a multi-tiered risk analysis. The scorecard provides insight into the current security posture based on 20 core pillars of a successful security strategy. Black Kite benchmark report provides comparative visibility for cyber risk posture, and is a collection of global standard and best practices for securing IT systems and data against attacks. Black Kite evaluates an organization in a set of 20 security categories which map to many compliance standards.



Use of Artificial Intelligence

EIC is in the early stages of using advanced AI systems. These systems offer great advantages, but EIC recognizes they can include risks, particularly in terms of security. EIC has deployed and continues to deploy various security measures. In particular, EIC has set up a committee made up of members of its executives to oversee cybersecurity activities and the use of AI throughout EIC. This committee has rolled out a number of initiatives concerning the use of various AI models, such as a guide to best practices in the use of AI for its employees, which sets out in particular how to use AI efficiently and safely and which models are approved for use. In addition, and after testing it for both reliability and security, EIC has provided its employees with enterprise grade AI based tools operating in protected mode.

Information Security Management

EIC through its technology services group, ETS, has achieved significant milestones, marking commendable advancements in its commitment to data security and operational excellence. Foremost among these accomplishments is the renewal of the SOC2 Type II attestation, underscoring the Corporation's adherence to stringent standards for security, availability, processing integrity, confidentiality, and privacy. This certification reaffirms EIC's dedication to safeguarding client information and ensuring the reliability of its systems and services. Additionally, ISO 27001 certification further demonstrates the organization's proactive approach to information security management, highlighting its ability to identify, assess, and mitigate risks effectively. These achievements not only validate ETS' ongoing efforts to uphold the highest standards of data protection but also EIC reinforcing our commitment to applying security best practices in all EIC subsidiaries concerning information systems.

Information Technology Infrastructure

The IT Governance, Risk, and Compliance (GRC) Department plays a pivotal role in ensuring the integrity and security of the organization's IT infrastructure. With a primary focus on IT operational risk management, the department conducts thorough IT risk assessments to identify, prioritize, and mitigate potential vulnerabilities within the technological landscape. This proactive approach enables the Corporation to safeguard its systems and data against emerging threats effectively. Moreover, the GRC team also oversees vendor risk assessments. Recognizing the significance of external partnerships in today's interconnected business environment, EIC works to diligently evaluate the security position of its vendors to uphold stringent standards of data protection and regulatory compliance. By conducting comprehensive assessments and implementing robust risk mitigation strategies, the GRC Department fortifies the Corporation's resilience against evolving cybersecurity challenges while fostering trust and reliability across its operational ecosystem.

Information Security

Robust infrastructure, policies and procedures are in place to protect IT assets and sensitive information.

Governance

AUDIT COMMITTEE → CHIEF EXECUTIVE OFFICER → CHIEF TECHNOLOGY OFFICER

INFORMATION SECURITY GOVERNANCE → DIRECTOR OF INFORMATION SECURITY → CHIEF TECHNOLOGY OFFICER

EIC EMPLOYEES → IT SERVICE DESK → DIRECTOR OF INFORMATION SECURITY

ETS Internal Controls

- Code of Conduct on Use of IT infrastructure
- Audited externally
- 24/7/365 Security Operation Center processes aligned to NIST
- Regular tests for Disaster Recovery and Business Continuity Plans
- IT Security and Cybercrime Policy
- Best-of-breed leading security systems and technology
- Regular vulnerability and penetration testing

Economic Value Generated & Distributed

For EIC, generating and distributing economic value is about how we fulfil our obligations to the economy and promote the wellbeing of society at large. It is a simple equation: we generate revenue from the products and services we sell; we then distribute a portion of that revenue – or economic value – to those we rely on for our success. That distribution is seen in the compensation and benefits we provide our employees, in the dividends paid to our shareholders, in meeting our tax obligations at all levels of government and in the investments we make in our communities. For more information on our revenue, operating expenses, cash dividends, tax expense, and return to shareholders consult our 2025 Annual Report. For more information on our community investment activities, see page 56. According to the GRI, "economic value generated and distributed" is defined as measuring the impact of a company on the economy. We are committed to showcasing our substantial role in generating and distributing economic value throughout the areas where we operate. EIC provides employment to approximately 9,000 people. The compensation and benefits we provide have both a direct impact and an indirect ripple effect on the economy. Our employees' compensation and benefits are redirected into their communities, which generates demand for local business and support for charitable and not-for-profit sectors. In turn, this demand sparks increased economic activity and hiring in other industries.

HEAD COUNT CANADA

Province	Employee Count
AB	625
BC	647
MB	1,851
NB	192
NL	987
NS	330
NT	1
NU	143
PE	3
ON	3,047
QC	279
SK	162
YT	1
Total	**8,268**

HEAD COUNT USA & OTHER

State	Employee Count
FL	246
MD	35
MO	161
PA	10
TN	329
TX	133
VA	18
Other - USA	64
Other	27
Total	**1,023**

TAXES PAID

Tax Jurisdiction	Income Taxes Paid $'000s
Canada	31,195
Netherlands	697
USA	10,115
Other	394
Total	**42,401**

Stewards of the Environment

ENVIRONMENTAL MANAGEMENT

At EIC, we are committed to reducing the consumption of natural resources, including energy and water, and the generation of emissions and waste. Our environmental policy outlines our commitment to environmental leadership while conducting our operations, both on the ground, and in the air.

We are continually improving our development of baseline resource consumption data for all our subsidiaries, to help us determine where we can most effectively reduce our environmental footprint. Ongoing monitoring of key environmental metrics will provide the basis for more focused improvement initiatives.

CLIMATE CHANGE

EIC is committed to reducing our GHG emissions in our operations and supply chain. We are committed to achieving these reductions without relying solely on carbon offsets, other than as required by certain customers. However, due to the source of the majority of our Scope 1 GHG emissions and the limited low-carbon alternatives presently available (as described below), we are not currently in a position to set targets associated with this reduction. To measure our progress and demonstrate our commitment to increasing our energy efficiency and reducing our GHG intensity emissions, we intend to:

- continue to refine our ability to measure Scope 1, Scope 2, and material Scope 3 GHG emissions and report on performance;
- develop a strategy and action plan to reduce our GHG intensity emissions, taking into account the principles of the 2015 Paris Agreement;
- assess energy use and management at all our locations and implement programs to maximize our efficiency;
- continue to advance discussions with our suppliers regarding opportunities to utilize hybrid aircraft and/or utilize SAF to reduce Scope 1 GHG emissions; and
- continue to engage applicable government bodies for improved Northern infrastructure.

The vast majority of our Scope 1 GHG emissions are related to fuel burn.

We are seeing developments in low-carbon technologies and alternative fuels. Unfortunately, there are no readily available forms of low-carbon power for the aircraft we utilize and for the harsh climates in which we operate and there is no meaningful supply of SAF, so we must focus on driving efficiency in the short term and the adoption of larger and more fuel efficient aircraft and fuel technologies in the medium to long term.

Refer to our TCFD report (Appendix) for more details about our climate change governance, risk management, and strategy.

GHG PROTOCOL:

Scopes and GHG Emission Categories

In 2024, a materiality exercise was conducted to determine Scope 3 categories that were applicable and material by line of business. This informed a go-forward strategy to estimate Scope 3 emissions for each subsidiary, primarily by using a sampling methodology. We have disclosed these figures voluntarily within this report.

Scope 1 -- Direct GHG emissions from fuels used in EIC aircraft, vehicles, and buildings

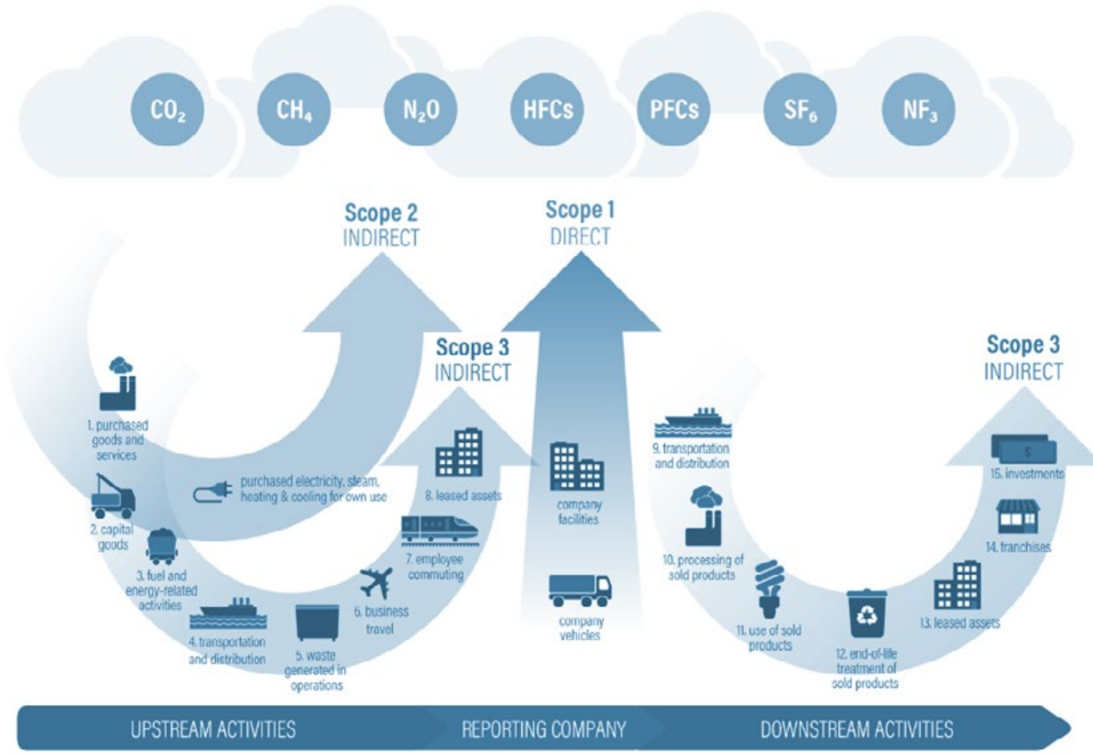
Scope 2 – Indirect GHG emissions from purchased grid electricity and heating or cooling

Scope 3 – Indirect GHG emissions from fuels and energy supplied by suppliers/contractors used by suppliers/subcontractors

The GHG emissions by category of the GHG Protocol in categories 1, 2, 11, and 13 were the most material for the business lines in the Aerospace & Aviation segment. The GHG emissions in categories 1 and 2 were the most material for the business lines in the Manufacturing segment.

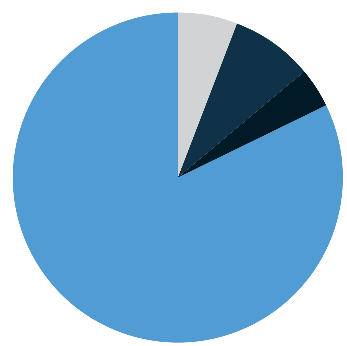
- Not material: Categories 3, 4, 5, 6, 7, 8, 9, 10, and 12
- Not applicable: Categories 14 and 15

EIC aviation subsidiaries consume 189 million litres of jet fuel annually, representing only 2% of annual domestic market consumption,[15] to primarily provide essential services, not discretionary or business travel.



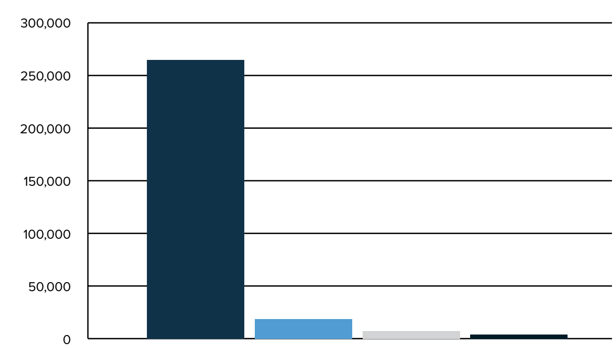
Source: GHG Protocol (S.7)[8]

Scope 3 Emissions by Category of the GHG Protocol ($CO_2e(t)$)



- 1: Purchased Goods & Services = 8%
- 2: Capital Goods = 4%
- 11: Use of Sold Product = 82%
- 13: Downstream Leased Assets = 6%

Scope 1 & 2 GHG Emissions (Tonnes CO_2e)



- Air Transportation Fuel
- Ground Transportation Fuel
- Heating Fuel
- Electricity (Scope 2)

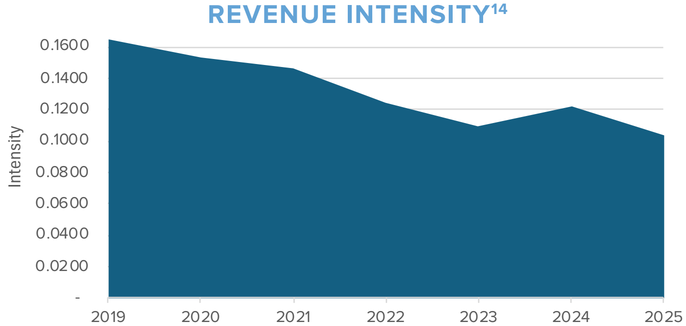
Data[9]

Scope 1	Units	2021	2022	2023	2024	2025
Aviation Gasoline	tonnes CO_2e	2,381	2,397	2,426	2,821	1,760
Jet Fuel	tonnes CO_2e	190,026	222,206	241,328	292,429	262,992
Diesel	tonnes CO_2e	2,619	11,697	11,399	11,047	10,839
Gasoline	tonnes CO_2e	1,774	7,523	6,575	6,194	7,654
Propane	tonnes CO_2e	-	0	0	86	14
Natural Gas	tonnes CO_2e	4,166	5,884	5,712	6,265	5,945
Heating Oil	tonnes CO_2e	1,347	800	1,710	2,233	1,545
Heating Propane	tonnes CO_2e	-	-	0	0	-
Heating Diesel	tonnes CO_2e	-	289	408	-	-
Scope 2						
Electricity	tonnes CO_2e	3,853	4,736	5,133	5,344	4,064
Scope 3						
Category 1: Purchased Goods & Services	tonnes CO_2e	Not Reported	Not Reported	Not Reported	151,464	268,301
Category 2: Capital Goods	tonnes CO_2e	Not Reported	Not Reported	Not Reported	61,490	135,277
Category 11: Use of Sold Product[11]	tonnes CO_2e	Not Reported	Not Reported	Not Reported	1,620,797	2,692,199
Category 13: Downstream Leased Assets[12]	tonnes CO_2e	Not Reported	Not Reported	Not Reported	82,288	204,637
Natural Resources						
Water usage[10]	m^3	51,949	113,463	147,009	189,432	96,244

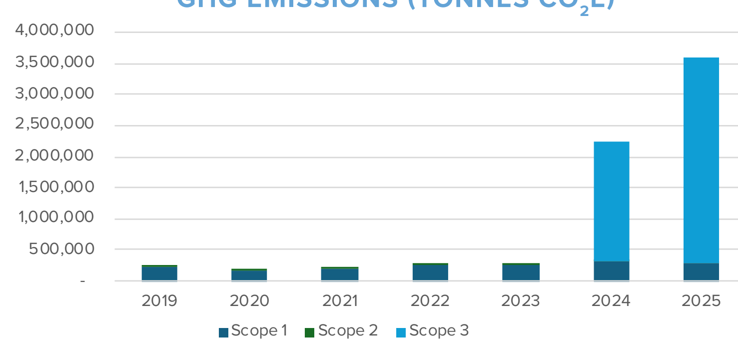
EIC's subsidiaries were not cited or penalized for any violations of environmental regulations from 2021 through 2025.[13]

> 88% of our total reported emissions in 2025 related to Scope 3 downstream use of our owned assets across our Aircraft Sales & Leasing fleet of aircraft and engines. We do not have direct control over these emissions as our customers operate these assets.

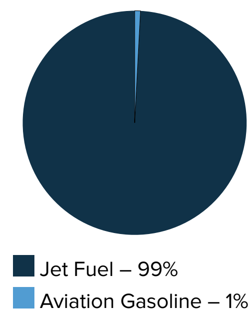
REVENUE INTENSITY[14]



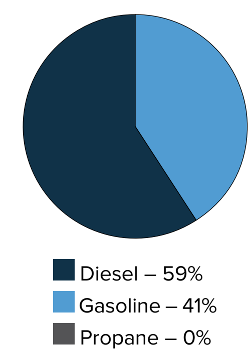
GHG EMISSIONS (TONNES CO_2E)



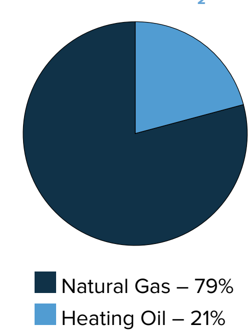
AIR TRANSPORTATION FUEL (TONNES CO_2E)



GROUND TRANSPORTATION FUEL (TONNES CO_2E)



HEATING FUEL (TONNES CO_2E)



Measures for Decarbonization

SAF

EIC's single most significant emission source is air transportation fuel. It is responsible for approximately 90% of our total Scope 1 & 2 emissions. At the moment, SAF usage remains the only viable path for aviation businesses to meet net-zero commitments by 2050, yet Canada currently produces no meaningful quantities of SAF. We are playing a proactive role in the development and commercialization of SAF in Canada, regularly meeting with government bodies, producers, suppliers and other stakeholders to discuss and strategize about bringing SAF to a commercial scale in line with Canada's 2030 target.

EIC (Calm Air) is a member with the Canadian Council for Sustainable Aviation Fuels (C-SAF) and has been invited to participate in discussions about the challenges from a producer and consumer point of view. The SAF landscape continues to evolve in Canada and the demand for the product far exceeds the supply. The majority of the locations EIC operators fly to are in the far north where technical challenges with using SAF still exist owing to the extreme temperatures and harsh environments experienced in the North.

Hybrid, Electric, & Hydrogen Technology

Most of the routes that EIC's airline operators fly are short haul, which makes them ideal candidates for the promising electric, hybrid electric, and hydrogen engine technologies under development. Each design faces technological challenges, but the largest challenge may be the speed at which these technologies can be brought to market and the reliability of operating in harsh environments.

Fleet Modernization, Technology, & Offsets

Currently, the most significant contributor to aviation decarbonization is fleet renewal. EIC air operators continued to make fleet upgrades and investments in technology as they have over a number of years. The purchase of more efficient aircraft has been a tenet in the strategy to reduce carbon emissions until sustainable aviation fuels are feasible and commercially available. In 2025, these fleet upgrades included the purchase of larger De Havilland Dash-8 throughout our operations; and King Air 360s for Carson Air's contract award for fixed wing medevac in British Columbia.

As part of the British Columbia medevac contract, Carson Air has committed to achieve carbon neutrality in its operation of aircraft in the provision of services under the contract. To accomplish this, in the absence of viable technologies, carbon offsets have been purchased to meet this commitment.

12,449 tonnes CO_2E retired in 2025 (Coastal Environmental Chemainus Composting Facility & Pacific Coast Renewables Corp NetZero Waste Abbotsford Composting Facility)

Simulator

In 2023, EIC announced a $20 million investment to purchase a King Air full motion training simulator. In 2025, EIC received regulatory approval and accordingly, the state-of-the-art flight training simulator is now fully operational. With EIC being one of the largest King Air operators globally, this will greatly improve simulator training access to our subsidiaries. The reduced need for travel to other jurisdictions for training will contribute to a reduction in Scope 3 emissions. This reduction is estimated to be over 295 tonnes of CO_2e annually.

In addition to the reduction in emissions, the simulator will empower our pilots with life-like training, designed to refine critical, life-saving skills under both routine and challenging, extreme conditions. Our pilots increasingly utilize full-motion electronic flight simulators for their training, avoiding fuel consumption, by reducing the flying of aircraft, yet acquiring the necessary experience to ensure our fleet remains among the safest in the air. A conventional 500-hour training program releases approximately 313 tonnes of CO_2.

6%

OF AIRCRAFT FLEET WAS UPGAUGED IN 2025

Safe Driving, Reduced Idling, and Improved Fleet Performance

Northern Mat & Bridge continues to see positive results from its fleet improvement initiatives. Increased driver awareness, coaching, and monitoring have contributed to safer driving practices while supporting reductions in unnecessary vehicle idling and fuel consumption. These improvements increase road safety for all and reduce environmental impacts, lower operating costs, and align with opportunities identified through the Life Cycle Assessment conducted in 2025.

Further Topics

Biodiversity

Biodiversity is not classified as material for EIC. Nevertheless, measures are used to promote biodiversity. EIC subsidiaries' sites are generally located in urban areas or designated industrial and commercial zones and pose no direct threat to nature conservation areas or protected animals and plants.

Pollution

Pollution is not considered as material for EIC. With its decarbonization measures, EIC subsidiaries are also working to reduce local air pollutant emissions. 100% of EIC's aircraft comply with all applicable noise protection standards. Furthermore, pilots are trained in the use of energy-saving flight maneuvers, such as continuous descent during landing, which also has a positive impact on noise pollution.

Water Consumption

Water consumption is not considered material for EIC. Nevertheless, measures are used to keep water consumption low. Use is limited to sanitary facilities, building and aircraft cleaning. Water is mainly obtained from the municipal water supply and disposed of via the public sewage system. Measures to reduce water consumption are implemented as part of environmental management.

Circular Economy

Waste and recycling are not considered material for EIC. Nevertheless, measures are taken to avoid waste and to recycle as much as possible:

- Avoid waste and digitalize processes
- Promote recycling of materials & the circular economy
- Maintenance and scrapping of aircraft

Team up to clean up in Winnipeg

Team up to clean up in Vaughan

Industry Leadership through our Environmental Product Declaration (EPD)

A major milestone this year was the completion of Northern Mat & Bridge's EPD, supported by a comprehensive Life Cycle Assessment. The third-party assessment provides transparent environmental data on our products and identifies opportunities to further improve sustainability through efficient transportation, fuel optimization, and waste reduction initiatives.

Aircraft Sales & Leasing aircraft and parts can be rebuilt, repaired, and exchanged multiple times. By participating in the circular economy we can reduce waste and the energy expended in original manufacturing while addressing customers' business needs and generating revenue for EIC.

Built on Trust, Powered by People

Strategy sets our direction, but our people drive EIC

Workforce Demographics

EIC provides an open, discrimination free and healthy working environment where employees can develop as individuals. Our employees are one of our most important assets and we seek to hire, reward, and retain the best talent to retain our leadership position. EIC offers attractive remuneration packages to our employees, including competitive salaries, performance-based bonuses and employee share ownership opportunities as well as comprehensive health & dental coverage and a wide selection of wellness initiatives. We are focused on building a diverse talent pipeline, both internally & externally through a variety of educational programs and through ongoing performance & development discussions.

EMPLOYEES BY SECTOR

Aviation & Aerospace
68%

Manufacturing
39%

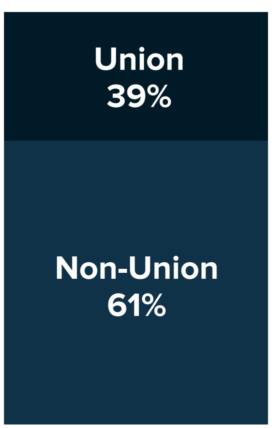
Corporate & Support
3%

EMPLOYEES BY GEOGRAPHY

Canada - 89%

USA - 11%

UNION REPRESENTATION



~9,300

TOTAL # OF EMPLOYEES

GENDER DIVERSITY[16]

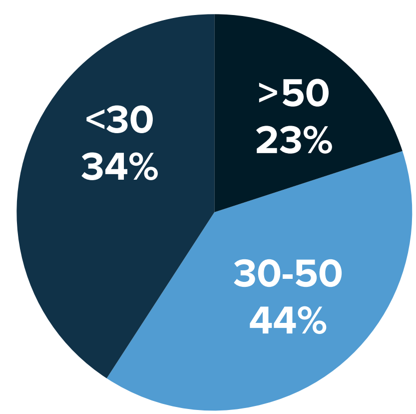
75%

25%

VOLUNTARY TURNOVER[17]

14%

EMPLOYEES BY AGE[16]



>130

EMPLOYEES RECOGNIZED SINCE INCEPTION OF PROGRAM

The Circle of Excellence awards are a longstanding EIC tradition presented annually at our strategic planning session. The awards recognize exemplary employees at each subsidiary for going above and beyond the call of duty and demonstrating outstanding performance in their role.

>20

INDIVIDUALS HAVE BEEN RECOGNIZED SINCE INCEPTION OF THE AWARD

The Wayne McLeod Award is bestowed on a CEO or a President of one of EIC's subsidiaries that has exemplified extra-ordinary leadership traits, not just limited to financial performance throughout the year.

EIC is proud of our subsidiaries, recognized in their respective markets, as top employers in their communities. These recognitions celebrate companies that offer excellent workplace experiences. Employers are evaluated on criteria such as: work atmosphere and social initiatives; health, financial and family benefits; vacation and time off; employee communications; performance management; training and skills development; and community involvement. Employers are compared to other organizations in their field to determine which offers the most progressive and forward-thinking programs.

Our Employees

Our workforce is a key competitive advantage. We pride ourselves on being a global business, operating across many countries with diverse, engaged, and talented teams.

Culture

Company culture has a powerful impact on employee engagement, customer and partner satisfaction, and business performance. EIC believes our culture is a competitive advantage that must be respected & nurtured.

Employee Engagement

- Attracting & retaining the best talent
- 37% of employees receive employee engagement survey[17]
- 51% of employees participate in performance reviews
- 6% Involuntary turnover[17]

Health & Safety

- Creating a safe working environment
- Goal is zero preventable incidents & fatalities
- 100% employees enrolled in Wellness Programs

Diversity, Equity, Inclusion

- Aim to reflect the communities we serve by embedding DEI principles
- 26% gender diversity in management positions[17]
- 0.83:1 gender (female:male)[16] pay parity in management positions[17]
- 100% of leaders complete Unconscious Bias training

Performance-Based Remuneration

EIC fosters employee loyalty and motivation by offering performance-based remuneration in line with market standards.

2025 SALARIES, WAGES & BENEFITS

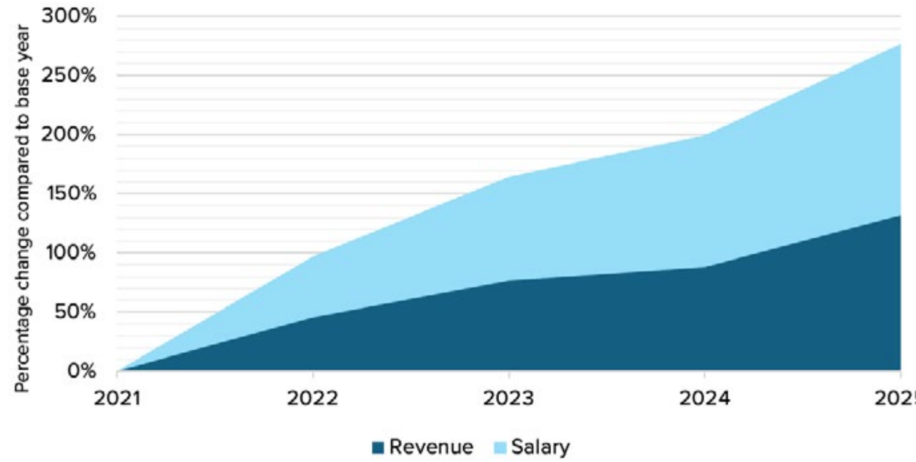
$940M

100%

EMPLOYEES GET RETIREMENT BENEFIT OPTIONS

Revenue vs Salary Growth 2021 - 2025

Salaries, wages, and benefits have consistently grown at a rate higher than revenue inclusive of years 2021 through 2025.



Employee Share Ownership Plan (ESPP)

Employees of EIC can participate in the ESPP. Under the ESPP, employees can make contributions of up to 5% of their base salaries to purchase EIC shares out of treasury. Upon the employees remaining in the plan for an 18 month vesting period, they are entitled to receive an additional number of shares equal to 33.3% of the number of shares they purchased and dividends declared on those additional shares over the vesting period.

Gender Pay Parity (Female:Male)[16,17]

ALL EIC	MANAGEMENT	SENIOR LEADERSHIP	EXECUTIVE
0.82	0.83	1.06	0.21[18]

20%

OF ELIGIBLE EMPLOYEES PARTICIPATE IN ESPP

Health & Safety

Essential to the success of our operations is health and safety in the workplace, as well as in broader society. Providing a healthy, safe, and secure work environment for all our employees is a top priority. We believe that workplace injuries are preventable and that nothing is more important than making sure our people go home to their families safely and in good health at the end of every day. Our Health and Safety Policy outlines our commitment to maintaining management and operational systems that provide a safe and healthy work environment for employees, contractors, customers, and the community. Our subsidiaries have established committees to support the implementation and enforcement of safety practices and procedures. We conduct regular safety audits to verify compliance with our standards and identify potential hazards for mitigation. EIC subsidiaries have Occupational Health & Safety manuals, and Safety Management Systems, where appropriate, in place and compliant with the requirements of the Canada Labor Code, Canadian Occupational Health and Safety and Aviation Occupational Health and Safety to address labour, health and safety risks associated with their operations. The manuals include guidelines on providing adequate training to employees, the storage and handling of hazardous substances at work, the provision of personal protective equipment to employees, and the establishment of management structures that govern safety policies.

# INTERNAL SAFETY AUDITS	# EXTERNAL SAFETY AUDITS	TOTAL HEALTH & SAFETY TRAINING HOURS
~2,400	30	+78,000

FOCUS AREA: Health & Safety

Why it's important: Maintaining safe operations is one of the cornerstones of EIC's sustainability efforts. Nothing is more important to our leadership team and Board of Directors. To support and encourage a safety-first culture, we operate with standards, policies, and operating procedures, make annual investments in training, focus on hazard identification and mitigation, leverage technology, audit behaviours, track results, and foster accountability at all levels.

1.	2.	3.	4.
Analyze the causes & document	Mark danger spots	Assess potential workplace hazards	Provide safety training and instruction

	2021	2022	2023	2024	2025[19]
Fatalities	0	0	0	0	1
Lost Hours/Hours Worked	0.002	0.001	0.0004	0.0008	0.0013

Creston Mat Plant - Northern Mat & Bridge employees have demonstrated exceptional commitment to safety through active participation in the leading indicator program. Site participation grew from 80 leading indicators in 2025 to 232 by July 2026, reflecting significantly increased employee involvement in hazard identification, near miss reporting, and preventative safety activities. At the same time, incident performance has remained strong, including no reported incidents in July. This growth demonstrates how employee engagement and proactive safety actions are driving measurable safety improvements at the Creston operation.

Diversity, Equity, & Inclusion

We aim to reflect the communities we serve with a diverse workforce and equitable treatment of our employees by embedding diversity, equity, and inclusion principles into who we are and how we do business. We are committed to creating an environment where our employees can grow and develop while contributing to the ongoing success of the company, regardless of race, religion, gender, marital status, family/civil status, sexual orientation, age or disability.

Our Diversity, Equity, and Inclusion Policy outlines our commitment to building a more diverse, equitable and inclusive workplace. We also have a Diversity Policy for our Board of Directors.

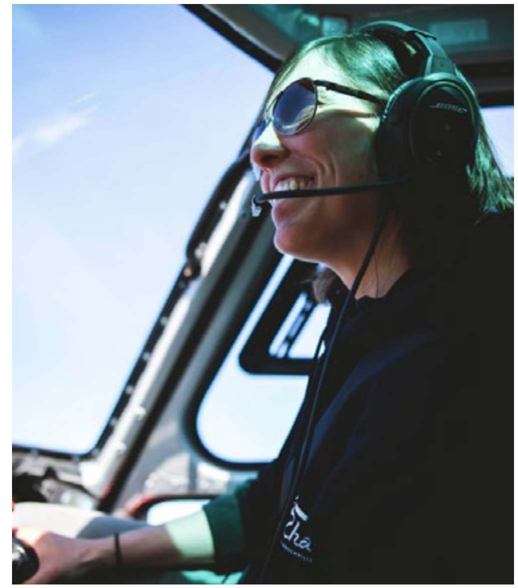
We believe ongoing education is a critical part of this journey. That is why all Board members, Executives, and Senior Leadership are required to complete Unconscious Bias Training. In 2025 Unconscious Bias Training was also a leadership development requirement for subsidiary managers.

FOCUS AREA: Diversity, Equity, Inclusion

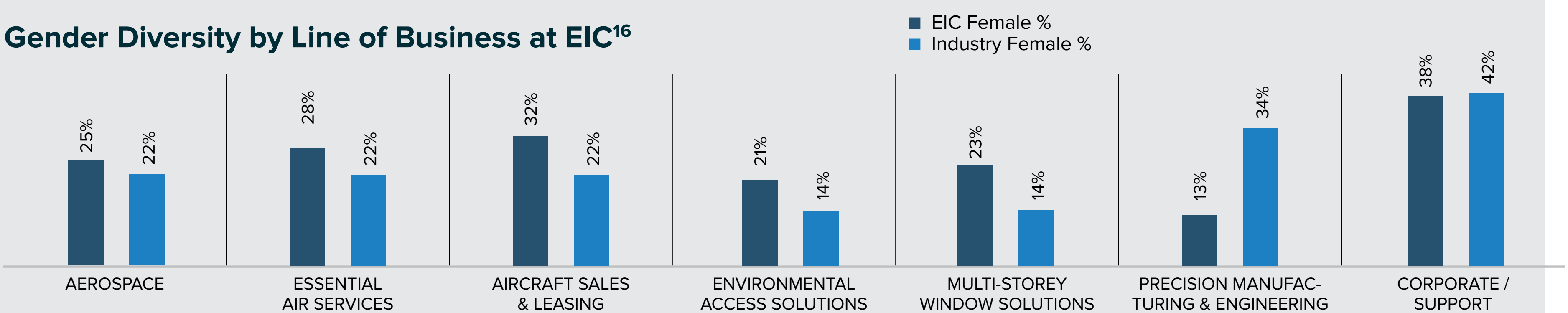
Why it's important: DEI enriches our culture, adds important perspectives, enlarges our accessible talent pool including with Canada's Indigenous peoples, and meets the expectations of all stakeholders.

100% of our Board, Executive, and Senior Leadership team have completed Unconscious Bias Training.

Regional One women's employee resource group



Gender Diversity by Line of Business at EIC[16]

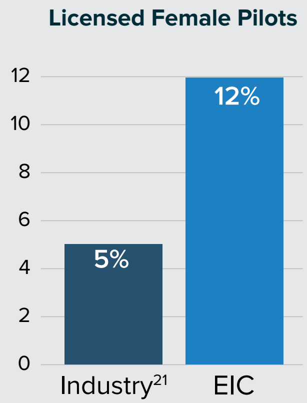


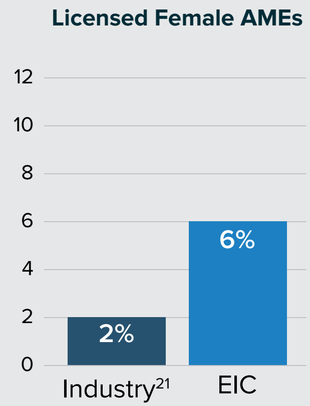
The majority of our business lines exceed industry averages[20] for female representation in the workforce.

Gender Diversity at EIC[16]

% Female	2021	2022	2023	2024	2025
Board	30	30	30	36	36
Executive	20	20	20	15[18]	9[24]
Senior Leadership	Not reported	Not reported	17	19	22
Management	Not reported	Not reported	Not reported	23	26
Overall	23	25	25	23	25

EIC is leading the way for gender diversity in Aviation.





"Representation matters. Without seeing women in aviation, I may never have considered this profession."

- Julie O'Sullivan, MFC Training, Moncton

Talent Development

EIC is committed to supporting our employees through a variety of educational programs. These initiatives cultivate a diverse, highly skilled talent pool, driving our businesses future growth and innovation. The workforce development and retention strategy at EIC continues to expand and grow as opportunities are identified to invest in our employees.

EIC UNIVERSITY

EIC University was designed to entrench the culture of EIC in future leaders. The hour-long sessions cover topics such as the Use of Artificial Intelligence; Cybersecurity; Subsidiary operations; and health and safety drills. In addition, tours of subsidiary operations are conducted for new hires and summer students to gain insight and exposure to day-to-day operations of our businesses,

MENTORSHIP

As part of EIC's high potential development and retention strategy, we were excited to announce the launch of our Intercompany Mentorship Program (the "Program"). The Program was designed to connect high potential employees with experienced senior leaders to leverage the diverse expertise and experiences across our subsidiaries. By facilitating mentorship relationships among companies within our EIC umbrella, we can create a powerful network for learning, sharing insights, and driving collective success. At EIC we believe in nurturing talent and fostering growth. That's why the program was created leveraging the Together Mentorship platform to provide mentees with unparalleled opportunities for professional development, guidance, and networking.

together

- **18 Mentors** - 11% female[16]
- **18 Mentees** - 16% female[16]
- **Top areas for development identified** - networking & gaining new experiences

Planning for the Future

While we are working to develop the teams we need today, we are also planning for our future workforce needs. To build the skills and knowledge needed for careers in trades and operations, we partner with community and non-profit organizations as well as post-secondary institutions that offer training for our workforce. We also offer opportunities to students through internships, co-op terms, and an Indigenous student program. These programs have been developed to provide financial assistance for career training, support students along their journey, and provide the opportunity for long and successful careers in their chosen field.

FOCUS AREA: Training & Development

Why it's important: We need to ensure our workforce remains capable of providing superior customer service and products and continues to build the knowledge and skills to remain first in class in the businesses we operate within.

2025 Mentee Cohort

Apprenticeship Programs

Trades

In an ongoing commitment to workforce development, SFI has taken proactive steps to address the growing skills gap within the stainless steel tank fabrication industry. This gap has been widening owing to the retirement of experienced fabricators. In response, SFI collaborated with the Department of Labor and Ozarks Technical Community College to launch an innovative apprenticeship program. This initiative is designed to equip individuals who are keen on building a career in this field with comprehensive on-the-job training. The program offers a structured path to mastery in welder/fabricator craftsmanship. The program is a rigorous three-year journey, accredited by the Department of Labor and culminating in the awarding of a certificate to those who meet its standards. Notably, the apprentices incur no costs for participating in the program, ensuring it is accessible to all eligible candidates. Furthermore, apprentices gain the advantage of full company benefits after just 60 days of full-time work . Through this initiative, SFI not only contributes to the closing of the skills gap but also fosters a sustainable and skilled workforce for the future.

Aircraft Maintenance Engineers

AMS offers an apprenticeship pathway for aircraft maintenance engineers. The program includes an 18 to 20 month college program followed by approximately 2 years of on-the-job experience. Apprentices who complete the required amount of hours and pass a regulatory exam become certified in their trade.

Training Programs

The SFI Welding & Grinding school, along with AMS Aerotech Training for aircraft maintenance engineers, are shining examples of creating qualified employees by providing them with the necessary knowledge and skills for a career in their industry.

AMS Aerotech Training

In response to the well-known shortage of qualified aircraft maintenance engineers in the industry, AMS Aerotech Training was launched. This initiative provides students with equivalent training to the ICS Canada online program while integrating the in-person program with safe work procedures, industry best practices, and aircraft specific content on a multitude of airframe types. Students get paid for eight hours per day while they complete their training and may, pending completion of the program, move into full-time roles, working alongside AMEs who will continue to provide mentorship.

SFI Welding & Grinding School

SFI offers classes for both welding and grinding. The classes are offered at no cost to students who attend lectures in the mornings and work afternoons in the shop while getting paid for eight hours per day. Enablement of techniques are provided and after successful completion, students may move into full time roles, working alongside experienced welders and grinders who continue to provide mentorship.

>135 Students

RECEIVED FINANCIAL SUPPORT AND MENTORSHIP FROM EIC IN 2025

Programs offering Financial Assistance

Life in Flight - Pilot

This career program integrates all of the flight training and exams required to become a proficient airline pilot. After earning their commercial pilot license, multi-engine rating and Group 1 instrument rating from MFC Training, students become flight instructors at MFC Training before transitioning to the flight line at one of EIC's air operators. Members are eligible to apply for special financing, as well as earn a $25,000 commitment award after 5 years of employment with EIC.

Life in Flight - AME

This career program integrates all of the training required to become a certified AME. After earning their diploma with any one of several designated institutions and earning their required hours at an EIC operation, members are eligible to earn a commitment award after a designated employment timeframe with an EIC subsidiary as an AME.

EIC Scholarships

EIC subsidiaries provide a number of scholarships each year to students throughout their network and in their communities. In addition to the scholarships, EIC supports students through guest lectures, workshops and summer internships.

EARLY ENGAGEMENT

ETS Mentorlink

ETS is dedicated to promoting success, growth, and community building within the tech industry. Participation in the Mentorlink program exemplifies this commitment, serving as a beacon of progress, opportunity, and inspiration. This initiative thrives with the support and collaboration of Tech Manitoba, First Jobs Fund, University College of the North, and the dedicated mentors at ETS. The partnership is focused on providing young adults with vital soft skills and practical IT experience, ensuring they are well-equipped with a foundation to succeed in the tech sector. The program's holistic approach prepares participants for their future careers through activities like resume building, mock interview workshops, and personalized mentorship sessions. These mentors have been instrumental in preparing participants for internships at Computers for Schools Manitoba and their future careers.

25
SCHOLARSHIPS GRANTED

>$35K

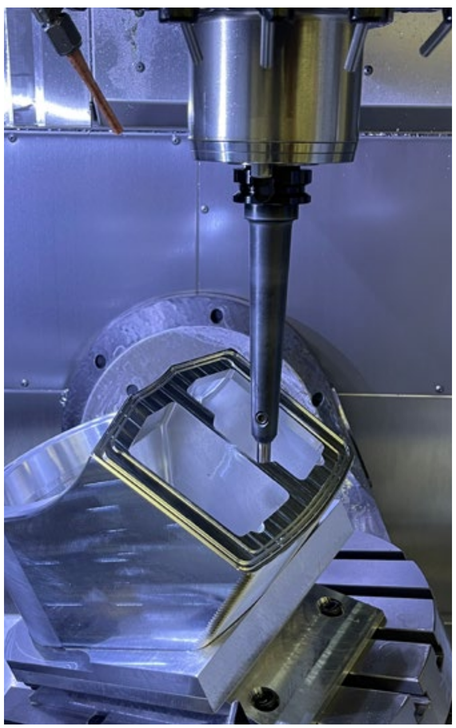
Congratulations to Emerson Naruse, a recipient of the Ben Machine sponsored Ontario Aerospace Council Scholarship

Quality & Safety

Our Quality & Safety Policy outlines our commitment to delivering high-quality products and safe and reliable flight operations, as well as fostering a culture of quality and safety throughout our company.

EIC subsidiaries have continued to uphold the highest standards and operational rigor. This is reflected in the quality of our products and validation from third party recognition and certifications. These recognitions and certifications include, but are not limited to, the following:

ISO 9001:2015	AS9100:D	TÜV SÜD Certified Products
ISO 9001:2018	FAA AC00-56B	
ISO 9002	ISO 9001:2018	



BARS
BASIC AVIATION RISK STANDARD
FLIGHT SAFETY FOUNDATION

The Flight Safety Foundation (FSF) Basic Aviation Risk Standard (BARS) program is designed to provide organizations that engage contracted aircraft operators with a standard to assist in the risk-based management of aviation activities. It is largely focused on aircraft operators who provide contracted flight services in remote or challenging environments. All of EIC's passenger and cargo air operators have achieved this standard. The process to be registered requires full implementation of the BARS standard which impacts all aspects of the operation from flight operations, cabin safety, SMS, and maintenance.

100% OF EIC SCHEDULED, PASSENGER & CARGO OPERATIONS REGISTERED

Bearskin Airlines – A DIVISION OF PERIMETER AVIATION
Calm Air
Canadian North
Custom Heli
PAL airlines
Perimeter

FOCUS AREA: Quality & Safety

Why it is important: Quality & Safety in everything we do ensure we consistently deliver high-quality products and efficient, reliable services to our customers. By maintaining strong quality and safety standards, we protect our employees, customers, and operations while supporting long-term business success.

Aircraft Safety

Aircraft operated by EIC subsidiaries have Type Certificates issued by the respective regulatory agency such as Transport Canada (TC), Federal Aviation Authority (FAA), or the European Union Aviation Safety Agency (EASA). Any modifications required for aircraft operations are incorporated using a Supplemental Type Certificate Approval regulatory process if additional equipment is required that is not covered by the original Type Certificate. All aircraft are operated by suitably rated experienced aviators working within approved Air Operator Certificates issued by the respective regulatory agency. Aircraft are maintained to an Approved Maintenance Schedule (MSA) referencing instructions for Continued Airworthiness (ICAs) issued with the most recent Type Certificate as well as any Supplemental Type Certificates.

Quality Management

EIC has Quality Assurance (QA) programs established within all their Air Operators. All documentation and manuals to support the QA program as a minimum meet the requirements of TC and in most cases exceed these basic requirements in areas such as Flight Operations Quality Assurance (FOQA) and Safety Management integration. The independent Air Operator's Quality managers in Maintenance and Flight Operations departments conduct annual audits to ensure compliance standards are met and a continuous improvement culture is in place. In addition to the base Quality Assurance programs within the organizations, each EIC Air Operator has established approved maintenance programs that are tailored to the operations of each aircraft and include extensive routine monitoring to ensure safety. EIC air operators have extensive pilot training programs using aircraft simulators and aircraft status tracking uses electronic journey logbooks to reduce human error in tracking aircraft time, aircraft maintenance, and pilot flight duty time.

All EIC Air Operators have a Canadian Aviation Regulations (CAR) 705 type of Safety Management System (SMS) in place whether required or not. These integrated SMS platforms within the organizations cover all areas of the operation and are utilized to review any areas of hazards and risks. Each operator's system addresses all 6 components and 17 elements of a Transport Canada Approved System which is comparable to Aviation SMS programs around the Globe. Each Air Operator's system is guided by a formal safety policy enacted by the Accountable Executive and detailed procedures and processes are contained within the SMS manual. The procedures contained therein include but are not limited to Training, Risk Identification and Control, Occurrence notification and investigation as well as all personnel responsibilities. The program is reviewed annually and a simulation to measure the effectiveness of the ERP is included in that review.

In addition, EIC formed a Quality Assurance Program (QAP) consisting of Head Office and aviation subsidiary professionals in a Community of Practice style approach that meet regularly to discuss QA and SMS items common to all operators as well as conducting on-site visits to the independent air operators throughout the year on an as required basis. Lastly, EIC air operators are subject to routine audits, typically annually, by Transport Canada to ensure compliance with federal quality and safety requirements as well as multiple client based audits from industry sectors such as mining as well as safety organizations such as the BARS. These various audits are multifaceted in their areas of review and address items such as Aircraft Maintenance Requirements, Quality Program, Safety

Management Systems, Pilot Training, Flight and Duty requirements inclusive of Fatigue Management Programs.

Pilots operating aircraft operated by EIC subsidiaries are required to meet minimum standards established by the Canadian Aviation Regulations. The pilots are required to complete annual training requirements and simulator training. This training allows pilots to simulate events and incidents that would not be feasible during training in an aircraft such as turbulence or engine failure and provides the pilot with more comprehensive training scenarios.

EIC Air Operators have adapted to Flight and Duty requirements imposed by Transport Canada Flight and Duty Regulations. All Air Operators have an integrated program to ensure strict adherence to the regulations and the process to request exceptions under the Fatigue Management requirements should an exception be required. In addition, each operator has a Fitness for Duty program in place which ensures employees are fit to conduct their work duties and are not being hindered by stress, fatigue, or under the influence of alcohol or drugs.

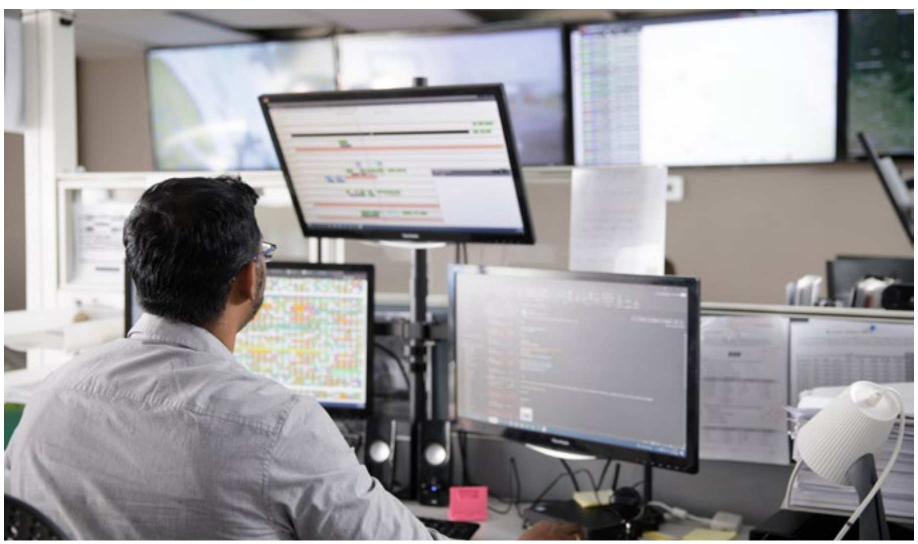
EIC Safety Management Systems

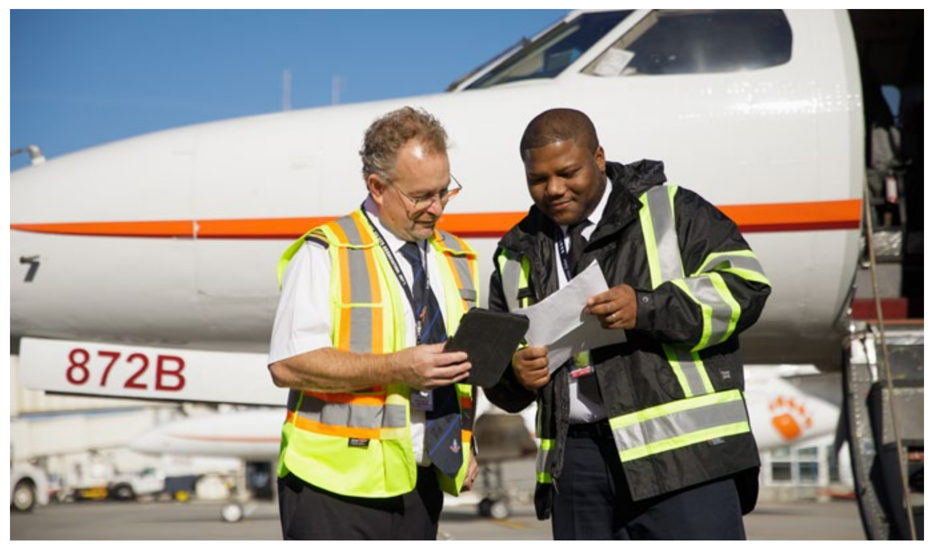
EIC has designed our own SMS with artificial intelligence capabilities to provide predictive information to assist in proactively reducing safety incidents. All EIC air operators have implemented SMS that meet or exceed the requirements of applicable regulatory bodies, including Transport Canada, the Federal Aviation Administration, and the European Union Aviation Safety Agency. SMS is a systematic approach to managing safety and serves as a framework where comprehensive processes and procedures for managing risk are developed, applied, and evaluated. Beyond reactive risk management, SMS allows operators to proactively manage safety through activities including Hazard Prevention Programs, Change Risk Management (including identifying and mitigating or eliminating hazards and emergency risks prior to implementing change), Safety Goal Setting, and Quality Assurance Audits. Operators have also utilized their hazard reporting databases to track operational service objectives or targets (including on-time performance and customer care initiatives).

All EIC air operators have a documented Emergency Response Plan (ERP) and applicable training for all employees, to respond to and communicate in the event of an emergency. If an accident or incident occurs, the mission of the ERP is to render aid to injured parties and to prevent or minimize further personal injury or property damage. Each plan outlines emergency management responsibilities and specific communication processes (internal and external) to use in emergency scenarios. These plans are tested regularly, both internally and with the involvement of local emergency service providers and stakeholders.

Each SMS includes:

- Persons designated as responsible and accountable for the SMS.
- A hazard reporting system that provides timely feedback to all employees.
- Mechanisms for receiving safety reports from external parties/ stakeholders.
- Procedures for assessing risk with reported hazards and daily operations, for investigation of incidents, and for development of corrective actions.
- Development, monitoring and improvement of operational and safety performance measurement objectives and targets.
- Initial and recurrent safety and emergency response training and education programs.
- Scheduled internal and external (vendor) audit processes that provide feedback and results with any corrective action.
- A commitment to the communication and promotion of safe work practices and processes.





Emergency Preparedness

Emergency Response

We maintain comprehensive emergency response plans for all our sites, tailored to include environmental incident responses where applicable. Our emergency preparedness involves regular training, drills, and exercises that meet regulatory standards and address specific site requirements. These activities range from table-top simulations to on-water training exercises, as appropriate, along with other simulated emergency scenarios. Following these exercises, we evaluate lessons learned and plan subsequent actions to enhance our emergency management continuously.

We collaborate with internal experts, industry peers, and spill-response organizations to exchange knowledge, experience, and resources through mutual aid agreements, optimizing our emergency response capabilities. In any emergency, safeguarding people and the environment is our priority. In the event of an incident, we promptly take mitigatory and corrective measures. We also conduct thorough investigations of significant incidents to identify their root causes, refine our critical controls, and reduce the risk of future occurrences.

We completed more than 48 emergency exercises and drills across the organization in 2025.

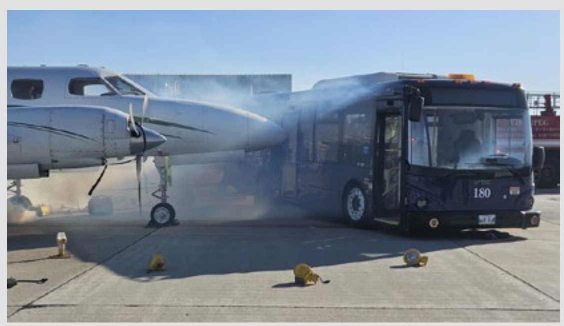
>48

EMERGENCY EXCERCISES & DRILLS CONDUCTED IN 2025

Spotlight

In October, 2025, Perimeter Aviation participated in a full-scale Emergency Response drill lead by the Winnipeg Airport Authority. This collaborative exercise involved one of our aircraft, with employees acting as passengers and our management team responding in real time. The drill included participation from multiple emergency service providers, including Winnipeg Fire, RCMP, and City Police. A major lesson learned from this exercise was the value of cross-agency coordination and the importance of understanding each team's role in a crisis. The realism of the drill reinforced the need for continued training and scenario situations to ensure readiness from all.

An Emergency Response drill was also conducted that focused on the function of the Winnipeg Call Centre and Customer Service team. This helped us evaluate how frontline teams manage communication, passenger support, and escalation protocols during an emergency. One key takeaway from this drill was the importance of clear, consistent messaging, a strong desire for scripts and guidance material for frontline staff, and the need for streamlined escalation procedures to reduce response time and confusion.



Human Rights

At EIC, respecting human rights is at the core of all our policies, procedures, and activities. We acknowledge the inherent dignity of every person and are dedicated to fostering a work environment that is inclusive, equitable, and diverse. At EIC, everyone is treated with fairness and respect, and we do not tolerate discrimination, prejudice, harassment, or violence in any form.

In our interactions with employees, customers, suppliers, and business partners, EIC is devoted to supporting human rights. We recognize our continuous obligation to implement effective measures to prevent modern slavery and human trafficking within our operations and those of our goods and services providers. We are focused on operating in compliance with applicable laws and in a socially responsible way. In compliance with "Fighting Against Forced Labour and Child Labour in Supply Chain Acts" we have a framework in place to assess and address risks and apply mitigation and reporting requirements to prevent forced labour and child labour in our supply chain. Our Modern Slavery Report details our commitments and efforts in addressing these issues.

Whistleblower System

- Possible violations can be reported around the clock via the publicly available whistleblower system.
- Anonymous reports are possible.
- Reports are investigated and clarified within the Company in a standardized process for possible violations.
- At least two impartial individuals are involved in all investigations into the misconduct in question in order to ensure a transparent process. Checks are also carried out to ensure reports do not lead to retaliation by the accused or other parties.

>2300

CERTIFICATIONS TO STRATEGIC & CORE SUPPLIERS

91%

RESPONSE RATE

NO FORCED LABOUR OR CHILD LABOUR WAS IDENTIFIED IN OUR ACTIVITIES OR SUPPLY CHAINS

100%

OF IDENTIFIED EMPLOYEES COMPLETED MODERN SLAVERY TRAINING

~200

HOURS OF TRAINING COMPLETED

Where Community Meets Opportunity

Developing talent through inclusive training and community representation

Indigenous Relations

EIC's subsidiaries operate within the treaty and traditional territories of Indigenous Peoples across Canada. In connection with these operations, our subsidiaries have longstanding relationships with Indigenous communities across Canada. We are committed to building respectful and mutually beneficial relationships, ensuring Indigenous Peoples have equal access to jobs and training, and developing leadership and workforce intercultural competencies.

We are committed to supporting reconciliation in Canada, guided by the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission's (TRC) Calls to Action.

We have examined TRC's call to action 92 (Business and Reconciliation) and our employment practices, and commit to implementing applicable aspects of the calls to action within our business operations and to promote and advance reconciliation with our employee groups and the communities we serve.

EIC's head office is located on Indigenous ancestral lands on Treaty One Territory. The Red River Valley is also the birthplace of the Metis. We acknowledge that our water is sourced from Shoal Lake 40 First Nation. We respect and give honour to the Indigenous peoples history on this land and recognize First Nations, Metis, and Inuit peoples' ongoing contribution in our neighbourhoods and communities today.

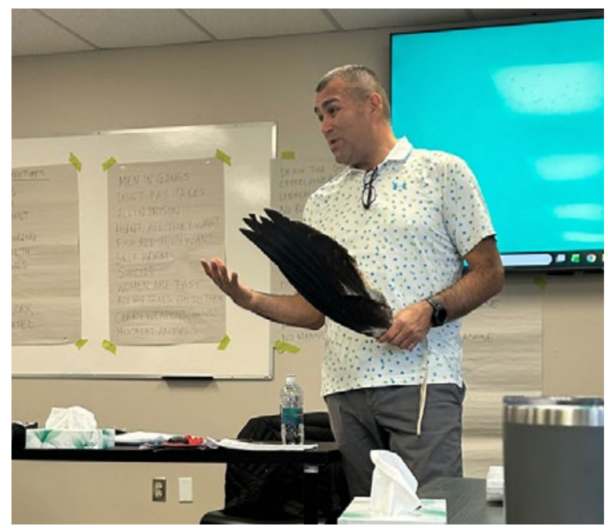
Our Indigenous Relations Policy outlines how we engage with Indigenous individuals, businesses and communities in Canada.

100%

OF BOARD, EXECUTIVE, AND SENIOR LEADERSHIP COMPLETE RECONCILIATION EDUCATION

Corporate Education

We have engaged First Nations University of Canada to provide reconciliation training, addressing the history and culture of Indigenous communities in Canada and the history of residential schools and treaties around the country, to our Board, executive team, corporate office, and Canadian senior leaders. The innovative online course, called 4 Seasons of Reconciliation, helps learners better understand Indigenous Peoples, in Canada's history with Indigenous communities and the importance of truth and reconciliation.



FOCUS AREA: Indigenous Relations

Why it is important: We operate on traditional Indigenous territories and are committed to building respectful, collaborative relationships with Indigenous communities. Through meaningful engagement and partnerships, we create opportunities for mutual economic benefits while supporting long-term business success and reconciliation.

Partnerships

Air Borealis

Throughout PAL's history, serving destinations in Labrador and facilitating economic development by providing access to the region's important resource sector has been an important priority. PAL's growth in the region has always been built on the principle that the people of Labrador should share in the region's economic success. With that spirit in mind, PAL is a proud partner in Air Borealis, a partnership with the Innu Nation and the Nunatsiavut People built on a connection to the community, respect for the environment and commitment to their way of life in the North.

Sakku Investments Ltd.

Several of EIC's Central Canada air operators have a strategic alliance with Sakku that allows them to better service customers in the Kivalliq and Qikiqtaaluk regions, improve operational reliability, and lease facilities from Sakku to expand and support operations in Northern Canada.

Wasaya Group

In 2018, EIC was proud to invest in and help facilitate the growth of the Wasaya Group, a First Nations-owned aviation company, to extend its First Nations relationships and coverage in Northwestern Ontario. A core principle of EIC is to invest in and partner with First Nations rights holders. The partnership with Wasaya is a testament to this principle.

Community Partnership Agreements

Perimeter Aviation, Custom Helicopters, and Northern Mat & Bridge have entered into community partnership agreements with most of the communities and umbrella organizations serviced by their brands. The agreements include investments back into communities through flight benefits and revenue sharing.

Consultation & Respect

In 2025, Perimeter Aviation officially unveiled their newest aircraft, registered as C-GYCM, and dedicated it in memory of Assembly of Manitoba Grand Chief Cathy Merrick, as a reflection of her legacy and a tribute to her life.

It was a tribute to a leader whose values and spirit align with what Perimeter Aviation does every day. Grand Chief Merrick was a tireless advocate for the First Nations people across Manitoba. She led with courage, compassion, and a deep belief that access matters. Access to healthcare, opportunity, and connection. These principles are at the heart of the Perimeter Aviation operation. Every day, our aircraft carry patients to medical appointments. They bring families together, deliver essential goods to remote communities and they connect people to the places they need to be. In the North, connectivity isn't a convenience, it's a lifeline. Grand Chief Cathy Merrick understood that and she worked alongside many of our partners, including our team, to help strengthen it. This aircraft features a permanent dedication near the door including her spirit name in Cree and English. It is a reminder to everyone that steps on board – passengers, crew, and employees, that leadership, service, and respect travel with us.

The dedication of C-GYCM stands as a lasting tribute to Grand Chief Merrick and the values of care, respect, and connection she championed throughout her life

Training & Employment

$5M
INVESTMENT PER ANNUM

25%
STUDENTS EMPLOYED AS PILOTS WITH EIC AIR OPERATORS

2
NORTHERN TRAINING LOCATIONS

Atik Mason Indigenous Pilot Pathway

EIC was pleased to introduce the Atik Mason Indigenous Pilot Pathway program (the "Pathway") in April 2022. The Pathway is a fully funded opportunity for Indigenous community members to learn to fly and build careers as professional pilots. With the support and guidance of Manitoba Keewatinowi Okimakanak Inc., the Pathway was designed to remove significant barriers to flight training faced by Indigenous candidates, including cost and location, and honours the importance of retaining connections to Indigenous culture while training. In 2025, EIC doubled the class size of the Rankin Inlet program.

ETS Tech Academy

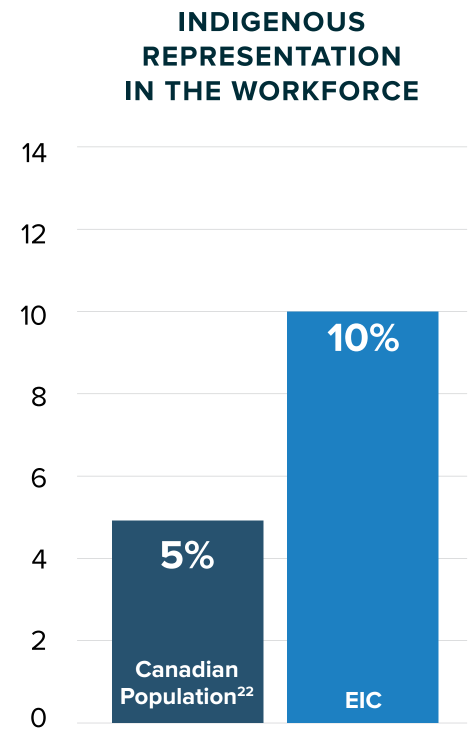
As part of our ongoing commitment to equity, education, and innovation, ETS proudly reflects on the success of the 2025 ETS Tech Academy Code Camp ("Code Camp")—an initiative that exemplifies our dedication to inclusive community engagement and sustainable development.

Held in Winnipeg, Code Camp welcomed students and chaperones from the Manitoba First Nation School System and the Manitoba First Nations Education Resource Centre. Participants traveled from communities including York Landing, St. Theresa Point, Oxford House, and Fox Lake to take part in a transformative week of learning and exploration.

Throughout the week, students immersed themselves in hands-on technology workshops, collaborative projects, and recreational activities across the city. The program not only introduced participants to the fundamentals of coding and IT careers but also fostered a sense of curiosity, confidence, and community.

Looking ahead, ETS is committed to expanding the reach and impact of Code Camp, continuing to empower Indigenous youth with the skills and inspiration to thrive in a technology-driven world.


RANKIN INLET


INDIGENOUS REPRESENTATION IN THE WORKFORCE
14
12
10
8
6
4
2
0
5%
Canadian Population[22]
10%
EIC


Shamattawa
ELEVATION 289 ft. (88 m)

Building Awareness

Orange Shirt Game

In 2017, EIC and the Winnipeg Blue Bombers started bringing members of Indigenous communities throughout Manitoba to Winnipeg Blue Bomber football games at Princess Auto Stadium. It started with 40 guests in the inaugural year but for the past 5 years it has expanded to more than 1,000 Indigenous community members, from all over Canada, being invited to a game to recognize Orange Shirt Day.

Both teams wear orange jerseys during pre-game warmup and the practice jerseys are auctioned off online after the game, with proceeds going to each team's Indigenous charity of choice. EIC covers the cost of flights, transportation and hotels for everyone in the program. We also provide guests with orange sweaters to wear on game day.

Northern Winter Tour

EIC was proud to partner with the Winnipeg Blue Bombers as their transportation partner for their Northern Winter Tour. This program entails a multi-faceted outreach to communities in northern Manitoba. It is designed to engage northern Manitoba communities with football camps and school visits in addition to interaction with Blue Bombers players and mental health counsellors. This is all with the goal of creating community through sport, providing mental health education and resources, and supporting people in the province by providing experiences that they wouldn't otherwise be privy to.

>$1M
INVESTMENT

SMUDGE LEARNING

>20%
INDIGENOUS SPEND

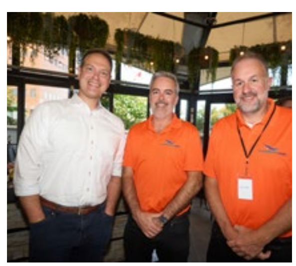
+50
COMMUNITIES FROM ACROSS CANADA PARTICIPATED

1,000
GUESTS

100%
VOLUNTEERS COMPLETED CULTURAL AWARENESS TRAINING

EXPANDED INITIATIVE TO INCLUDE SUPPORT FROM EIC'S MOST TRUSTED SUPPLIERS/PARTNERS

Link to Orange Shirt Day Video



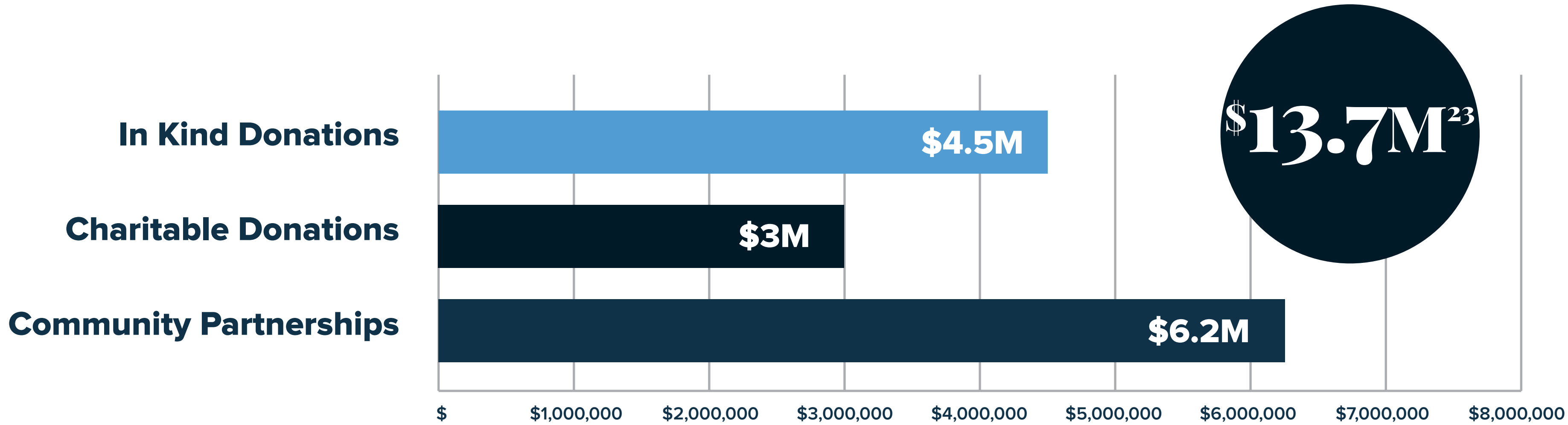
Corporate Citizenship & Philanthropy

Maintaining active community involvement has been a core focus for EIC companies since our inception. EIC and our subsidiaries are proud to support community, charitable, and not-for-profit initiatives through community partnerships, sponsorships, and charitable donations. Our program objectives are as follows:

- Promote and enhance community relations;
- Promote citizenship and active roles in our communities;
- Support corporate objectives and EIC principles; and
- Promote and enhance customer relations.

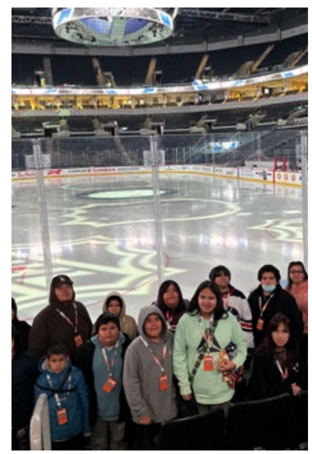
Several community health, youth organizations and youth programs received support and contributions from EIC in 2025. For example:

- EIC sponsors educational programs promoting careers in aviation for youth and Indigenous Peoples
- VIP experiences are hosted, wherein youth from remote Indigenous communities attend professional sporting events as an incentive to stay in school and to support mental health. This initiative also raises awareness about the National Day for Truth and Reconciliation, also known as Orange Shirt Day.
- PAL Airlines is proud to be the provincial presenting sponsor of the Feed the Kids campaign throughout Newfoundland and Labrador. The partnership includes volunteer time and fundraising efforts, all focused on helping kids start the school day well-nourished and ready to learn
- WesTower Communications is proud to support youth sports teams in many of the communities it services
- Custom Helicopters' efforts to support their partner communities include providing prizes for community events and Christmas celebrations and arranging holiday dinners for nursing stations
- Regional One participates annually in the Lexus Corporate Run as a means to support a fit, healthy lifestyle for employees in addition to enhancing community relations
- Northern Mat & Bridge has raised significant funds for more than 12 years at their annual Charity Shoot for several local organizations. In 2025, their primary recipients were the Pregnancy Care Centre and Helping Hands
- AWI partners with Sleep in Heavenly Peace to provide beds for children in need. Their support includes providing build space and volunteer time.



Community

The spirit of giving is a central part of EIC's culture, and we encourage our employees to give back not only at work but in their local communities. Moreover, we recognize it is our corporate responsibility to participate in the health and development of the communities where our employees live and where EIC does business.



EIC is a member of the President's Club ($50,000 - $99,999) for their contributions to Misercordia Health Centre Foundation.

Appendices

Reporting

We are committed to continuous improvements in transparency and reporting on our sustainability progress. In 2025, we continued to disclose and expand relevant ESG metrics, where available, according to SASB and TCFD frameworks. We will continue to work with subsidiaries to improve the availability of material ESG data and provide alignment with relevant ESG reporting standards, including SASB, TCFD, and the GRI. We will continue to engage with internal and external stakeholders to identify opportunities to improve our ESG reporting and disclosures.

Organizational boundaries – as per the GHG Protocol for Corporate Accounting and Reporting Standards

EIC's chosen reporting boundary is operational control. Under the operational control approach, EIC accounts for 100% of emissions from all operations under which it or one of its subsidiaries has operational control, which means it has the authority to introduce and implement its operating policies. Data is limited to entities for which EIC owns 100% of as of December 31, 2025. Acquisitions subsequent to this date will be captured in future reporting. Partnerships with Wasaya Airways and Air Borealis are not included in the data.

Carbon footprint – operational boundaries

Scope 1 and Scope 2 CO_2 emissions are emissions EIC can control. Scope 1 emissions are linked to sources we own, lease or control, whereas Scope 2 emissions relate to purchased energy. EIC calculates CO_2 emissions using the location-based method, as per the GHG Protocol's Scope 2 guidance. Scope 3 CO_2 emissions are emissions related to EIC downstream and upstream activities. EIC calculates Scope 3 emissions for the most material categories within the GHG Protocols. The computation of Scope 3 emissions is based on sampling performed by the individual subsidiaries and extrapolated using statistical models. The calculations require significant assumptions which are disclosed within this report. As a result of data coverage and quality improvements, a limited number of past performance figures published in previous reports may have been restated, and these are clarified in our endnotes. The reported data include some estimates, none of which are believed to be material. Because of the effects of acquisitions, organic growth, the COVID-19 pandemic, and continuing data refinement, year over year numbers should not be interpreted as representative trends.

EIC FAMILY OF COMPANIES

■ AEROSPACE & AVIATION SEGMENT ■ MANUFACTURING SEGMENT

TCFD Report

GOVERNANCE

EIC's Board understands that effective management of sustainability matters is both consistent with our core values and critical to our long-term success. We also believe it is our responsibility to understand how climate change will affect our business and actively respond to manage climate-related issues. Accordingly, oversight and management of climate-related issues are embedded within our governance structure and risk management processes. The Board provides supervisory oversight and has placed primary responsibility for oversight and coordination of climate-change matters with the Governance Committee. Overall risk information is reviewed by the Board or the relevant Board committee on a quarterly basis, or more frequently when required. In addition, Board committees review and discuss with management, on a regular basis, key enterprise risk exposures based on their respective terms of reference set out in committee charters and the steps taken to monitor, control, and mitigate those exposures to effectively manage risk. A formal ERM program is in place, with a dedicated risk leader and a supporting risk committee, to ensure key risks and their associated mitigation strategies remain relevant and timely, including consideration for emerging risks. Our CEO has responsibility for climate-related issues because this position is responsible for the overall administration and management of the Corporation and its subsidiaries. We have assigned operational responsibility for ESG issues, including climate change, to a senior member of our executive team, who reports to the CEO, and engage ESG advisory firms when necessary to help develop and execute strategies to improve processes, performance and reporting on ESG and climate change issues. EIC's executive compensation program rewards executives for successfully executing on our over-all strategy, which includes ESG objectives, some of which encompass climate change topics.

STRATEGY & RISK MANAGEMENT

Risks that may be material to EIC are identified and monitored on an ongoing basis through EIC's ERM framework, which supports governance and oversight over the Company's key risks. ERM risk reporting is maintained by the Controls and Risk department, which provides an update, to the Audit Committee, as to the state of each enterprise risk on a quarterly basis and more frequently as required. Insight is provided on a regular basis to the Board of Directors through the Audit Committee, which has specific oversight responsibilities of the Company's enterprise-wide risks. The formalized framework applies a systematic approach to managing conditions of uncertainty by applying policies, procedures, and practices in the analysis, evaluation, control, and communication of key risks and, where possible, integrating risk management into strategic, financial, and operational objectives. This ongoing process includes an assessment of current risk exposures, risk mitigation activities currently in place to address such exposures, and additional risk mitigation activities to consider going forward.

CLIMATE-RELATED RISKS

Weather and natural disasters

Severe weather conditions and natural disaster conditions can significantly disrupt service by impeding the movement of goods or disruptions with landing and take-offs, which could have an adverse effect on EIC's business, results of operations, and financial condition. This disruption could also impact EIC's ability to maintain its flight training schedules, leading to fewer flights being flown. In addition, increases in frequency, severity, or duration of severe weather events, including changes in the global climate, could result in increases in fuel consumption to avoid such weather, turbulence-related injuries, delays, and cancellations, any of which would increase the potential for loss of revenue and higher costs. Some of EIC's operations are impacted by the length of winter road season, which is impacted by the weather during the first few months of the calendar year. The colder the winter season, the longer the winter roads are available for customers to use as an alternative to flying with these operators. Similarly, some of EIC's operations can also be affected by shifting climate variables such as length of the winter season or precipitation levels, which can impact the potential need for the use of its services and rental of mats and bridges. The effects of climate change could create further operational and financial implications indirectly through supply chain disruptions that could impact the availability and/or cost of materials. This could further impact our decision to maintain existing facilities or expand into new geographies where physical climate risks are becoming more volatile. Any of these factors can result in increased pricing for our products/services, the resources needed to obtain and/or manufacture/service, or their related insurance costs. As climate change initiatives and regulations continue to evolve at varying degrees, the continued lack of consistent legislation could create economic and regulatory uncertainty. This uncertainty could affect the methods in which we manufacture, our ability to operate at current services levels or schedules, or associated costs. Furthermore, as we operate in multiple jurisdictions, our ability to ensure compliance could create unexpected exposure or additional costs, particularly if different regulations are adopted.

Environmental Liability

As owners of real property, and in particular fuel farms, fuel storage containers, and other fuel transportation equipment, the subsidiaries are subject to various federal, provincial, state, and municipal laws relating to environmental matters. Such laws provide that the subsidiaries could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remedy such substances or locations, if any, could potentially result in actions, penalties, and/or claims against the subsidiaries.

Future environmental regulatory developments related to climate change could adversely affect the operations of the subsidiaries, particularly in the aviation industry, increase operating costs and, through their impact on customers, reduce demand for the products and services of the subsidiaries. In addition, the precise nature of future agreements to regulate the emissions of GHGs are difficult to predict, but the impact on the aviation industry could be significant, including the potential for increased fuel costs, carbon taxes or fees, and/or a requirement to purchase carbon credits.

STRATEGY

We are developing baseline resource consumption data for all our subsidiaries to help us determine where we can most effectively reduce our carbon footprint. The majority of our GHG emissions are related to fuel burn and heating, cooling and ventilating our facilities. Ongoing monitoring of key metrics will help us provide the basis for more focused improvement initiatives. To measure our progress and ultimately reduce our GHG emissions, we have the following commitments:

- Further refine our ability to measure Scope 1, Scope 2, and material Scope 3 GHG emissions and report on performance
- Develop a strategy and action plan to reduce our GHG emissions, taking into account the principles of the 2015 Paris Agreement
- Assess energy use at all our locations and implement programs to maximize our efficiency
- Continue to advance discussions with our suppliers for transitioning our fleet of aircraft to hybrid and/or SAF to reduce our Scope 1 GHG emissions

Focus Areas

We are seeing exciting developments in low-carbon technologies and alternative fuels. Unfortunately, there are not yet readily available forms of low-carbon power for the aircraft we operate, so we must focus on driving efficiencies in our operations. Our approach to decarbonization will focus on processes and equipment in the short term and the adoption of emerging technologies in the medium to long term.

Short term

- Operational efficiency - such as removing non-value added redundancies
- Design efficiency - such as looking for opportunities to better streamline or lean out processes
- Transition to renewable energy - continue to evaluate and implement such alternatives where feasible

Medium to long term

- Fleet renewal - continue to deploy more energy efficient aircraft where available and practical
- SAF /alternative fuels - continue to participate in discussions to advance the procurement of SAF
- Emerging technologies - continue to evaluate the viability, safety, and performance of new electric, hydrogen, or hybrid power sources
- Carbon removal - explore carbon negative emission technologies and other direct emission reduction and removal strategies in addition to further developing regulatory carbon offset compliance actions and customer requirements
- Reduce GHG emissions in our supply chain
- Continue to engage applicable governments for improved Northern infrastructure

Current GHG emission reduction initiatives:

Equipment

- Utilize turbo prop aircraft, which are generally more fuel efficient than jet engine alternatives
- Invested in more efficient propeller systems and upgraded avionics for our fleet of turbo prop aircraft
- Increased the gauge of aircraft operated where practical and available
- Fleet upgrades from Dash 8-300s to the more efficient Dash 8-400s, where appropriate
- Utilize full-motion electronic flight simulators for pilot training

Efficiency

- Completed projects to increase the horsepower of our engines, increasing the amount of product that can be transported, and thereby increasing fuel efficiency
- Designed and installed multi-blade propellers on our aircraft to further increase their operating efficiency
- Utilize full-motion electronic flight simulators for pilot training

METRICS & TARGETS

EIC is prioritizing decarbonizing our operations and supply chain. We are also focused on achieving real reductions in GHG emissions without relying on carbon offsets. We may, however, utilize offsets when no other options are available or required by contract, but offsetting does not play a significant role in our overall decarbonization strategy.

As previously noted, we are developing baseline resource consumption data for all our subsidiaries to help us determine where we can most effectively reduce our carbon footprint. We will continue to collect and analyze data related to energy use and Scope 1, Scope 2, and material Scope 3 GHG emissions and establish a strategy and action plan to reduce our GHG emissions, including setting goals and targets.

Scope 1 emissions: 290,749 tonnes CO_2e

Scope 2 emissions: 4,064 tonnes CO_2e

Scope 3 emissions: 3,300,414 tonnes CO_2e

GRI Content Index

"GRI 2: General Disclosures 2021	2-1 Organizational details	2025 Sustainability Progress Report, pages 4,59; Annual Information Form; MD &A
	2-2 Entities included in the organization's sustainability reporting	2025 Sustainability Progress Report, pages 4, 59; Annual Information Form; MD &A
	2-3 Reporting period, frequency and contact point	2025 Sustainability Progress Report, page 4
	2-6 Activities, value chain and other business relationships	2025 Sustainability Progress Report, pages 4, 5, 10; Annual Information Form
	2-7 Employees	2025 Sustainability Progress Report, page 33
	2-9 Governance structure and composition	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular pages 28-39
	2-10 Nomination and selection of the highest governance body	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular page 35
	2-11 Chair of the highest governance body	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular 28, 29
	2-12 Role of the highest governance body in overseeing the management of impacts	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular page 34
	2-13 Delegation of responsibility for managing impacts	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular pages 34-36
	2-14 Role of the highest governance body in sustainability reporting	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular pages 34-36
	2-15 Conflicts of interest	2025 Sustainability Progress Report, page 17; 2026 Management Information Circular, page 30, A-5
	2-16 Communication of critical concerns	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular page 34
	2-17 Collective knowledge of the highest governance body	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular page 34
	2-18 Evaluation of the performance of the highest governance body	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular page 35
	2-19 Remuneration policies	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular page 46
	2-20 Process to determine remuneration	2025 Sustainability Progress Report, pages 9,16; 2026 Management Information Circular pages 50-53
	2-23 Policy commitments	2025 Sustainability Progress Report, page 9; 2026 Management Information Circular page 32
	2-24 Embedding policy commitments	2025 Sustainability Progress Report, pages 7, 8, 9; 2026 Management Information Circular page 35
	2-26 Mechanisms for seeking advice and raising concerns	2025 Sustainability Progress Report, page 6; 2026 Management Information Circular page 34
	2-28 Membership associations	2025 Sustainability Progress Report, pages 10, 11
	2-29 Approach to stakeholder engagement	2025 Sustainability Progress Report, page 10; 2026 Management Information Circular page 39
	2-30 Collective bargaining agreements	2025 Sustainability Progress Report, page 33
"GRI 3: Material Topics 2021	3-1 Process to determine material topics	2025 Sustainability Progress Report, pages 10, 12
	3-2 List of material topics	2025 Sustainability Progress Report, page 12
	3-3 Management of material topics	2025 Sustainability Progress Report, page 12
GRI 101: Biodiversity 2024	101-2 Management of biodiversity impacts	2025 Sustainability Progress Report, page 30
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	2025 Sustainability Progress Report, pages 60-62
	102-5 Scope 1 GHG emissions	2025 Sustainability Progress Report, pages 26, 27, 62
	102-6 Scope 2 GHG emissions	2025 Sustainability Progress Report, pages 26, 27, 62
	102-7 Scope 3 GHG emissions	2025 Sustainability Progress Report, pages 26, 27, 62
	102-8 GHG emissions intensity	2025 Sustainability Progress Report, pages 26, 27
GRI 103: Energy 2025	103-1 Energy policies and commitments	2025 Sustainability Progress Report, page 25
	103-2 Energy consumption and self-generation within the organization	2025 Sustainability Progress Report, pages 26, 27
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2025 Sustainability Progress Report, pages 4, 22, 36
	201-2 Financial implications and other risks and opportunities due to climate change	2025 Sustainability Progress Report, pages 60-62; MD&A

GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2025 Sustainability Progress Report, page 18
	205-2 Communication and training about anti-corruption policies and procedures	2025 Sustainability Progress Report, page 18
	205-3 Confirmed incidents of corruption and actions taken	2025 Sustainability Progress Report, page 18
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2025 Sustainability Progress Report, page 18
GRI 207: Tax 2019	207-1 Approach to tax	2025 Sustainability Progress Report, page 22
	207-2 Tax governance, control, and risk management	MD&A
	207-3 Stakeholder engagement and management of concerns related to tax	2025 Sustainability Progress Report, pages 10, 22
	207-4 Country-by-country reporting	2025 Sustainability Progress Report, page 22
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2025 Sustainability Progress Report, page 27
GRI 303: Water and Effluents 2018	303-5 Water consumption	2025 Sustainability Progress Report, page 27
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2025 Sustainability Progress Report, pages 26, 27, 62
	305-2 Energy indirect (Scope 2) GHG emissions	2025 Sustainability Progress Report, pages 26, 27, 62
	305-3 Other indirect (Scope 3) GHG emissions	2025 Sustainability Progress Report, pages 26, 27, 62
	305-4 GHG emissions intensity	2025 Sustainability Progress Report, pages 27
GRI 306: Effluents and Waste 2016	306-3 Significant spills	2025 Sustainability Progress Report, page 27
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2025 Sustainability Progress Report, pages 33, 35
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2025 Sustainability Progress Report, page 37
	403-2 Hazard identification, risk assessment, and incident investigation	2025 Sustainability Progress Report, page 37
	403-3 Occupational health services	2025 Sustainability Progress Report, page 37
	403-4 Worker participation, consultation, and communication on occupational health and safety	2025 Sustainability Progress Report, page 37
	403-5 Worker training on occupational health and safety	2025 Sustainability Progress Report, page 37
	403-6 Promotion of worker health	2025 Sustainability Progress Report, pages 35, 37
	403-9 Work-related injuries	2025 Sustainability Progress Report, page 37
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	2025 Sustainability Progress Report, pages 40-42
	404-3 Percentage of employees receiving regular performance and career development reviews	2025 Sustainability Progress Report, page 35
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2025 Sustainability Progress Report, page 39; 2025 Modern Slavery Report
	405-2 Ratio of basic salary and remuneration of women to men	2025 Sustainability Progress Report, pages 36
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Nil or no matters of significance to report
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	2025 Sustainability Progress Report, page 47; 2025 Modern Slavery Report
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2025 Sustainability Progress Report, page 47; 2025 Modern Slavery Report
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Nil or no matters of significance to report
GRI 415: Public Policy 2016	415-1 Political Contributions	2025 Sustainability Progress Report, page 17
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Nil or no matters of significance to report
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	Nil or no matters of significance to report
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Nil or no matters of significance to report

SASB Content Index

Activity Metrics	RT-AE/EE/IG/AF-000.B/C: Number of employees	2025 Sustainability Progress Report, page 33
Greenhouse Gas Emissions	TR-AF/AL-110a.1: Gross global Scope 1 emissions	2025 Sustainability Progress Report, pages 26, 27, 62
	TR-AF/AL-110a.2: Strategy for management of Scope 1 emissions	2025 Sustainability Progress Report, page 25; 2025 TCFD Report, pages 60-62
	TR-AF/AL-110a.3: Fuel consumption	2025 Sustainability Progress Report, pages 26, 27
Energy Management	RT-AE/EE/IG-130a.1: Energy consumption	2025 Sustainability Progress Report, pages 26, 27
Data Security	RT-AE-230a.1: Data breaches and details	Nil or no matters of significance to report
	RT-AE-230a.2: Identifying and addressing data security risks	2025 Sustainability Progress Report, pages 18-21
	RT-AE-250a.1: Number of recalls issued, total units recalled	Nil or no matters of significance to report
Product Safety	RT-AE-250a.3: Airworthiness Directives received	Nil or no matters of significance to report
	RT-AE/EE-250a.2/4: Monetary losses due to issues associated with product safety	Nil or no matters of significance to report
	RT-EE-250a.1: Number of recalls issued, total units recalled	Nil or no matters of significance to report
Labour	TR-AF-310a.2: Monetary losses due to issues associated with labor law	Nil or no matters of significance to report
	TR-AL-310a.1: Coverage of collective bargaining agreements	2025 Sustainability Progress Report, page 33
	TR-AL-310a.2: Work stoppages and idle days	Nil or no matters of significance to report
Employee Health and Safety	RT-IG/AF-320a.1: Incidents, fatalities and near misses	2025 Sustainability Progress Report, page 37
Business Ethics	RT-AE-510a.1: Monetary losses associated with corruption, bribery, and illicit trade	Nil or no matters of significance to report
	RT-EE-510a.1: Preventing corruption, bribery, and anti-competitive behaviour	2025 Sustainability Progress Report, page 17
	RT-EE-510a.2: Monetary losses due to bribery and/or corruption	Nil or no matters of significance to report
	RT-EE-510a.3: Monetary losses due to anti-competitive behaviour	Nil or no matters of significance to report
Competitive Behaviour	TR-AL-520a.1: Monetary losses due issues associated with anti-competitive behaviour	Nil or no matters of significance to report
SASB Accident and Safety Management	TR-AF/AL-540a.1: Safety Management System	2025 Sustainability Progress Report, pages 44,45
	TR-AF/AL-540a.2: Number of aviation accidents	Nil or no matters of significance to report
	TR-AL-540a.3: Government enforcement actions	Nil or no matters of significance to report

Endnotes

1. 16016774 Canada Ltd. operates the businesses under the brand names BVGlazing and Quest Window Systems
2. As of May 12, 2026
3. Data does not include five Subsidiaries
4. Applicable to WesTower Communications
5. Applicable to Hansen Industries and MacFab Manufacturing
6. PAL made immaterial donations to both the Liberal and Progressive Conservative parties in 2025.
7. Does not include two Subsidiaries who will be onboarded in due course. Represents 84% of total employees.
8. Source: GHG Protocol (S.7) Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf
9. Trend in data is impacted by: i) acquisitions; ii) organic growth; iii) COVID-19 pandemic; and iv) refinement of data collection process. Data has not been adjusted retro-actively. The data does not include estimated consumption for leased properties. We will continue to refine the data. Does not include data from two Subsidiaries.
10. The year over year increase from 2021 to 2024 can largely be attributed to acquisitions and improved data gathering. The data does not include estimated consumption for leased properties. We will continue to refine the data.
11. Substantially all of Scope 3 emissions related to Aircraft Sales & Leasing emissions estimated by lifetime emissions attributable to aircraft, engines, and parts. Significant estimates include useful life which was determined to be the greater of the next overhaul period or 25 years from the date of OEM manufacturer. Other estimates include average daily utilization and fuel burn which were obtained from publicly available estimates and internal controls for similar type of aircraft.
12. Pertains to Aircraft Sales & Leasing business line lease of aircraft and engines. Significant assumptions by engine type is average fuel burn which is based on publicly available estimates and internal actuals for similar types.
13. Does not include Canadian North
14. The year over year trend in 2024 is a reflection of revenue mix rather than increased volume of total emissions
15. Source: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2310026701&pickMembers%5B0%5D=3.1&cubeTimeFrame.startYear=2023&cubeTimeFrame.endYear=2023&referencePeriods=20230101%2C2023010
16. 100% of employees were invited to participate in EIC's workforce demographic survey. 92% of employees voluntarily participated and the data reported is based on those responses and in some instances information is sourced from legacy systems.
17. Does not include three Subsidiaries.
18. Year over year change is a reflection of additional positions added to Executive team rather than a reduction in female representation
19. Does not include four Subsidiaries
20. Source: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410002301
21. Source: https://skiesmag.com/features/moving-the-needle-on-aviations-diversity-gap/
22. Source: https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921a-eng.htm?indid=32990-1&indgeo=0
23. Does not include two Subsidiaries
24. As of May 12, 2026 this measurement improved to 17%

Glossary of Terms

The acronyms and other capitalized terms used in this Report have the corresponding meanings set out below.

Term	Definition
AIAC	Aerospace Industries Association of Canada
AI	Artificial Intelligence
AME	Aircraft Maintenance Engineer
AMS	Alliance Maintenance Services LP (an EIC subsidiary)
AWI	Advanced Window, Inc. (an EIC subsidiary)
B	Billion
BARS	Basic Aviation Risk Standard
CAO	Chief Administrative Officer
CCDO	Chief Corporate Development Officer
CCRO	Chief Corporate Risk Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Integration Officer
CLO	Chief Legal Officer
COO	Chief Operating Officer
CTaxO	Chief Tax Officer
CTO	Chief Technology Officer
DEI	Diversity, Equity, and Inclusion
EASA	European Union Aviation Safety Agency
EBITDA	Earning before Interest, Taxes, Depreciation, Amortization
EIC	Exchange Income Corporation
EMEA	Europe, the Middle East, and Africa
EOL	End of Life
ERM	Enterprise Risk Management
ERP	Emergency Response Plan
ESG	Environmental, Social, Governance
ETS	Exchange Technology Services (an EIC subsidiary)
EVP	Executive Vice-President
Executive	C-suite and Executive Vice Presidents at EIC head office
FAA	Federal Aviation Authority

Term	Definition
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HR	Human Resources
ISSB	International Sustainability Standards Board
IT	Information technology
K	Thousand
KM	Kilometers
KPI	Key Performance Indicator
M	Million
Management	Report directly to Senior Leadership
MD&A	Management Discussion & Analysis
NIST	National Institute of Standards and Technology
OEM	Original Equipment Manufacturer
OSHA	Occupational Health and Safety Administration
PAL	PAL Group of Companies (an EIC subsidiary)
Pathway	Atik Mason Indigenous Pilot Pathway Program
PPE	Personal Protective Equipment
RCMP	Royal Canadian Mounted Police
SAF	Sustainable Aviation Fuel
SASB	Sustainability Accounting Standards Board
Scope 1	Direct emissions that occur from sources controlled or owned by an organization.
Scope 2	Indirect emissions associated with purchased electricity, steam, heat, or cooling.
Scope 3	Indirect emissions resulting from activities upstream and down-stream in an organization's value chain.
Senior Leadership	Non-Executives, in charge of a principal business unit (Subsidiary), or function, including sales, finance, or production and anyone who performs a policy making function within EIC (such as Safety, Finance, Risk, ESG, Tax, Insurance)
SFI	Stainless Fabrication Inc. (an EIC subsidiary)
SMS	Safety Management System

Forward Looking Statements

This report and the documents referenced herein contain forward-looking statements. All statements other than statements of historical fact contained in this report and the documents referenced herein are forward-looking statements, including, without limitation, statements regarding future ESG initiatives, efforts or goals; financial position; business strategy; completed and potential acquisitions; or investments and the potential impact thereof on EIC or its subsidiaries. Readers of this report (including prospective investors) can identify many of these statements by looking for words such as “believes”, “expects”, “will”, “may”, “intends”, “projects”, “anticipates”, “plans”, “estimates”, “continues” and similar words or the negative thereof . Although management believes the expectations represented in such forward-looking statements are reasonable at the time they are made, there can be no assurance that such expectations will prove to be correct.

Forward-looking statements are necessarily based upon a number of expectations or assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant uncertainties and contingencies. There can be no assurance that such expectations or assumptions will prove to be correct. A number of factors could cause actual future results, performance, achievements, and developments of EIC and/or its subsidiaries to differ materially from anticipated results, performance, achievements, and developments expressed or implied by such forward-looking statements. A discussion of these risks is included in Section 12 - Risk Factors - of EIC’s 2025 Annual Report.

For each of the foregoing reasons, readers are cautioned not to place undue reliance on forward-looking statements.

The forward-looking statements contained herein or contained in a document referenced herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included or incorporated by reference in this report are made as of the date of this report or such other date specified in such statement or specified in such other document incorporated by reference. Except as required by law, EIC disclaims any obligation to update any forward-looking information, estimates or opinions, future events or results, or otherwise.

Celebrating across Canada

At the 2025 Canadian Aerospace Summit in Ottawa, the AIAC named EIC's President, Jake Trainor, the recipient of the James C. Floyd Award, which recognizes exceptional contribution to Canada's aerospace industry.

Tourism Manitoba Social Impact Award - Perimeter Aviation

As one of the main connectors for the North, Perimeter Aviation prides itself on being far more than an airline. Each year the airline helps facilitate travel for the Orange Shirt Game and other VIP, all-inclusive Winnipeg Jets weekends for academic, athletic and community achievements. On the tourism front, the airline constantly partners with northern fishing lodges and tourism operators to strengthen regional tourism and economic development. It also constantly works with Indigenous leadership and Indigenous organizations to address issues like food security, utilizing local partners like Manitoba Harvest.

Telcon Datvox, a division of WesTower Communications, was recognized by the Ontario Regional Common Ground Alliance with the 2025 Damage Prevention Award in the telecommunications field. This honor highlights our commitment to safety and celebrates the dedication of our team, whose strong health and safety program enables safe evacuation.

OMI/Hansen recognized by Manufacturing Safety Alliance for strong collaboration with operations; consistent communication and engagement; and driving results that protect every team member.

Charity Scantlebury, Director, Marketing & Communications, Perimeter Aviation awarded Top Women in Marketing by MarTech

Top 20 Under 40

Congratulations Matthew Kamstra, Vice President of Flight Operations and Sara Echakar, Director of Commercial Services on being recognized as one of Canada's Top 20 Under 40 in Canadian aviation.

EIC

Exchange
Income
Corporation