



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

FINANCIAL YEAR ENDED OCTOBER 31, 2025

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Application

This report, prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “Canadian Act”), pertains to Transat A.T. Inc. and its subject wholly owned Canadian subsidiaries, Air Transat A.T. Inc. and Transat Tours Canada Inc. (“TTC”), as well as its wholly owned British subsidiary, The Airline Seat Company Limited (doing business under the name “Canadian Affair”, “CAF”)(collectively, “Transat”, the “Corporation”, the “Company”, “we” or “us”). This is the third edition of this report since the Canadian Act entered into force in January 2024.

The above-mentioned entities hereby report to the Minister of Public Safety and Emergency Preparedness on the steps taken during the last fiscal year ended October 31, 2025, to prevent and reduce the risk that forced labour or child¹ labour is used at any step of the production of their goods, in Canada or elsewhere, or of goods imported into Canada thereby.

This report has been prepared in reference to the optional reporting template proposed by [Public Safety Canada](#) for international disclosures related to modern slavery, forced labour, and child labour. As such, it also serves as a statement under Section 54 of the United Kingdom’s *Modern Slavery Act 2015* (the “UK Act”).

Structure, activities and supply chains

Founded in Montreal in 1987, Transat A.T. Inc. is incorporated under the *Canada Business Corporations Act* and operates in the leisure travel industry. Known for operating as an air carrier under the Air Transat brand, Transat also consists of specialist tour operators and other entities in the retail distribution of holiday travel packages. Its full offering includes products and services that open the door to a wide range of international destinations, primarily in Europe and the Caribbean, as well as an expanded Transat network, strengthened in 2025 with new program growth across North America, South America, and North Africa.

Transat is headquartered in Montreal, Canada, with offices in France and the United Kingdom, as well as in the Caribbean. As of 31 October 2025, Transat employed over 4,800 individuals, including more than 4,300 in Canada.

Its airline, Air Transat, is an important part of the Montréal-Trudeau (YUL) and Toronto Pearson (YYZ) airport platforms. Transat acts as an outgoing tour operator through its subsidiary TTC, doing business under the Transat and Air Transat brands, as well as through its European subsidiaries, including Canadian Affair.

¹ The term “child” is defined in this report in accordance with the United Nations Convention on the Rights of the Child as any person under the age of eighteen unless national laws recognize an earlier age of majority.

TTC distributes products in the recreational markets located in North America, Central America, South America Europe, and North Africa. It offers two main product categories to meet customer needs, namely, travel vacation packages from Canada and seats in all markets served by Air Transat.

TTC also offers seats to and from various Canadian cities for its domestic market. All of these products are primarily sold online, either by TTC or Air Transat, and through travel agency networks.

Canadian Affair, a wholly owned subsidiary of Transat, is a U.K.-based tour operator. It specializes in tailor-made holidays to Canadian and U.S. destinations, including train tours, cruises, air travel and guided tours.

Vision

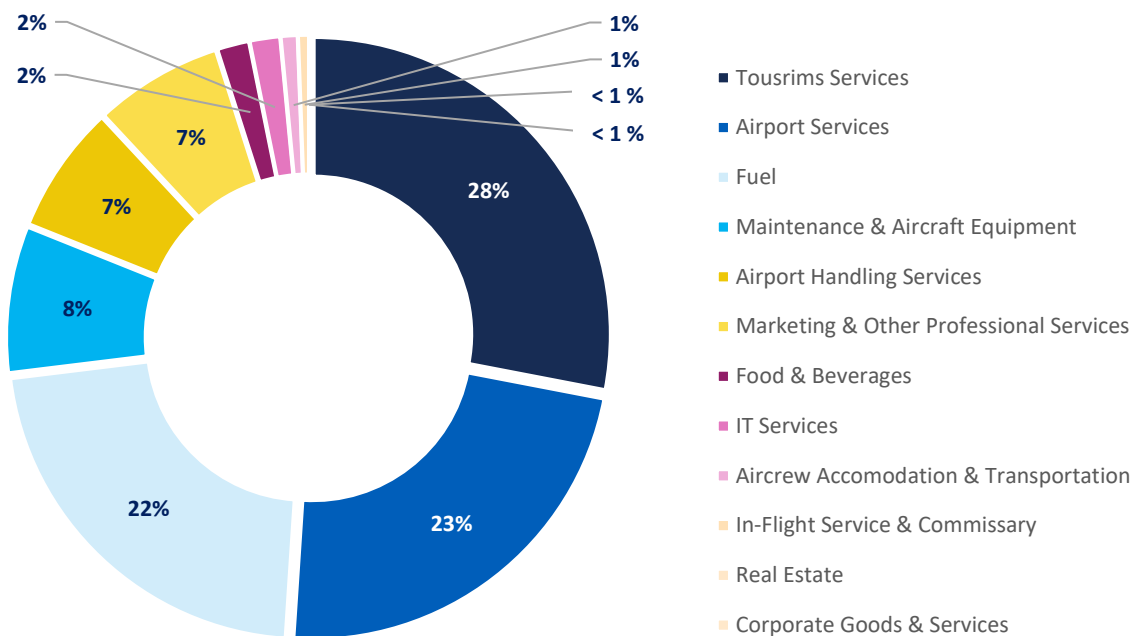
Transat favours a safe, caring and accessible customer experience and workplace. Guided by its mission to connect people, the Corporation is committed, within the scope of its resources, to promoting the well-being of stakeholders across its value chain. Collaboration with all relevant stakeholders is therefore essential to strike the right balance between the Company's social and business commitments. To achieve this, Transat works closely with its teams, customers, suppliers, partners, and industry associations to promote responsible travel.

This third edition of the report under the *Act to Combat Forced Labor and Child Labor in Supply Chains* outlines the governance, processes, and policies in place to ensure respect for human rights, including the prevention of forced labour, child labour, and human trafficking within the Company's supply chains.

Activities and supply chains

Transat operates in the airline and leisure travel industries. While some products are offered on board its aircraft, the Company's activities are primarily focused on delivering services rather than physical goods. In Canada, the Company distributes a portion of its products through its own network of wholly owned, franchised or affiliated travel agencies.

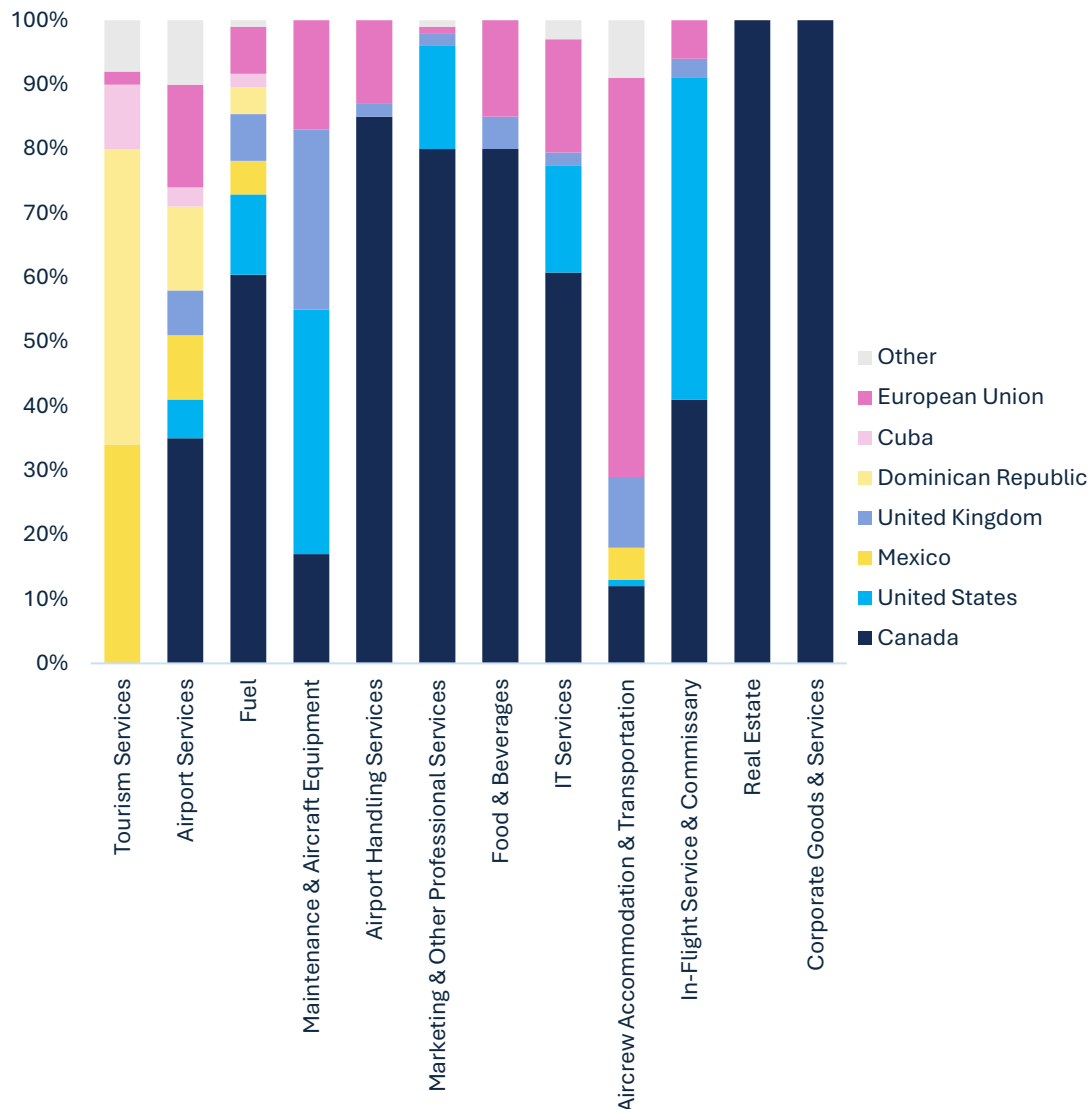
For the financial year ended 31 October 2025, Transat engaged with nearly 2,200 direct suppliers, divided into 12 categories of expenditure essential to its operations, as illustrated below.



Category	Entity	Share of expenditure	Description
Tourism Services	TTC & CAF	28 %	Agreements with hotel partners, destination services.
Airport Services	Air Transat	23 %	Fees and expenses relating to air operations.
Fuel	Air Transat	22 %	All air and land fuels used to meet national and international transportation needs.
Maintenance & Aircraft Equipment	Air Transat	8 %	Aircraft, equipment, components, in-flight electronic entertainment devices, materials used on aircraft and any maintenance associated with these various elements.
Airport Handling Services	Air Transat	7 %	Parts, services and equipment used to handle aircraft parked in an airport terminal (including security, corporate vehicles, and leased vehicles).
Marketing & Other Professional Services	Transat	7 %	Communications, marketing and advertising agencies mandated in respect of projects to attract and retain customers, corporate consulting services (e.g. auditing, legal, IT services, etc.)
Food & Beverages	Air Transat	2 %	Purchases of food and beverages consumed by customers on board aircraft, including catering service agreements.
IT Services	Transat	2 %	Infrastructure, networks, communications, application support and all outsourced IT services.
Aircrew Accommodation & Transportation	Air Transat	1 %	Costs related to transport and accommodation for crews.
In-Flight Service & Commissary	Air Transat	1 %	Products and services offered to customers on board.
Real Estate	Transat	< 1 %	Building design services, construction, development, upkeep of facilities, waste management, cleaning and public utilities.
Corporate Goods & Services	Transat & Air Transat	< 1 %	Products and services intended for staff (e.g. uniforms, office products).

The vast majority of Transat’s direct suppliers of products and services are located in North America, Europe and the destinations it serves (including the Caribbean, the West Indies, Central America, South America and Morocco).

The geographical distribution of tier-one suppliers sheds light on the human rights risk profile of the Company’s supply chains. Based on 2025 data, tier-one suppliers for merchandises are mainly located in North America and Europe, two regions with a low risk of forced labour². This assessment is based on the strength of legislative frameworks, the prevalence of international human rights standards, and the presence of oversight and transparency mechanisms that significantly reduce the likelihood of practices related to forced labour in these regions.



² *Importing Risk*, Global Slavery Index, <https://www.walkfree.org/global-slavery-index/map/#mode=DATA:dimension=i>.

Policies and due diligence processes

Procurement policy

Transat's procurement policy defines the principles and practices that guide all procurement activities. Its primary objective is to ensure that every purchase of goods or services follows a competitive process and complies with the Company's ethical standards. A centralized policy provides greater visibility across procurement activities and ensures consistent application of related policies and procedures.

A key principle of this policy focuses on the selection of suppliers and business partners whose practices align with Transat's responsible procurement approach. Strategic suppliers are selected based on an evaluation matrix that incorporates both qualitative and quantitative criteria, including compliance with environmental, social, and governance requirements.

Responsibility for implementing the corporate procurement policy rests with the Strategic Procurement and Real Estate department.

Code of ethics

Transat's Code of Ethics is designed to promote integrity and corporate responsibility by fostering socially responsible behaviour among its adherents. The Code applies to all members of staff, including management, members of the Board of Directors, as well as parties with a contractual relationship with the Company. To confirm their commitment to these principles, each Board member and all non-unionized employees are required to acknowledge that they have read the Code by signing a formal declaration. Unionized employees receive a copy of the Code and are deemed to have reviewed it.

The Code sets forth the principles that promote a healthy work environment and fair business practices, supporting Transat employees in making informed decisions. It requires every employee to act with honesty, integrity, and fairness in promoting and selling the Company's products and services, as well as in the overall conduct of the Company's affairs.

Given the inherent [risks in Transat's industry](#), the Code explicitly commits teams to act against forced labour and the sexual exploitation of minors by informing staff members, partners, suppliers, and customers about these issues and, where appropriate, collaborating with local organizations and law enforcement authorities.

Transat's Code of Ethics is publicly available on the Company's corporate website (www.transat.com).

Supplier code of conduct

In addition to the Code of Ethics, Transat's Supplier Code of Conduct is designed to ensure that each supplier adheres to the principles and requirements under which the Company conducts business. This Code sets out expectations regarding environmental, social, and governance criteria and requires suppliers to comply with these standards and to uphold the same requirements on their partners, suppliers, staff, and subcontractors.

The Code explicitly states that no supplier may engage in any form of forced labour. The use of child labour by a supplier is also strictly prohibited. Suppliers are further required to assess the risk of child labour within their supply chains and take appropriate measures to responsibly eliminate such practices if identified.

Transat reserves the right to request additional information from suppliers to manage and monitor compliance with the Code. Anyone may report a violation by contacting Transat at the following email address: ethique-ethic@transat.com. The Company is committed to assisting suppliers in addressing compliance issues under the Code and may take various actions in cases of non-compliance, up to and including termination of the business relationship.

Transat's Supplier Code of Conduct is publicly available on the Company's corporate website (www.transat.com).

Due diligence process

In 2023 and 2024, we implemented additional due diligence measures throughout the tendering process to select a new uniform supplier for flight attendants and ground staff (passenger services at Montreal-Trudeau airport).

Given that the textile industry is typically identified as higher risk for forced labour and child labour, we developed a specific ESG analysis procedure for the uniform procurement process.

The collaboration, analysis, and verification processes established during this exercise continue to inform our purchasing procedures for product categories identified as high risk.

Determining the risk of forced labour or child labour

Level of risk among personnel

The risk of forced labour or child labour is considered negligible among Transat's personnel. The Board of Directors, along with its Human Resources and Governance Committee, oversees the implementation of the Company's human resources policies. Recruitment processes ensure compliance with the standards in force in Canada, where the vast majority of Transat's staff comes from (90% as of 31 October 2025).

Moreover, 63.1% of the Company's active workforce is unionized and covered by collective agreements, which guarantee adherence to the working conditions negotiated by union groups and thereby help eliminate the risk of forced labour or child labour.

Level of Risk Within Our Supply Chains

Transat recognizes that there may be a risk of forced labour at all levels of its supply chains. Currently, the processes in place within the Company to identify the risk of forced or child labour are limited to Transat's own workforce, its subsidiaries, and first-tier suppliers.

In this regard, whether it is the air transport services offered by Air Transat or the tourism services provided by TTC and Canadian Air, the risk of forced or child labour is considered minimal among direct suppliers, given their geographical distribution and the low prevalence of purchasing categories deemed to be at risk.

Level of Risk in Airline Operations

As the air transport industry is highly regulated, subcontractors of Transat's direct suppliers (second- and third-tier suppliers) are considered to present a higher potential risk than direct (tier-one) suppliers, with whom the Company maintains contractual relationships and for whom a due diligence review process is in place through the policies and procedures previously outlined.

Among the products used in airline operations, textile items and products sold or distributed on board have been identified as originating from industries typically considered higher risk³. The Strategic Procurement teams exercise particular care when selecting first-tier suppliers operating in these sectors.

³ *Importing Risk*, Global Slavery Index, <https://www.walkfree.org/global-slavery-index/map/#mode=DATA:dimension=i>.

Level of Risk in Tourism Services

Transat Tours Canada works with more than 600 suppliers and tourism service providers located in the destinations served by the Company. These suppliers are primarily hotel complexes and inbound agencies offering customer assistance, transfer systems, and excursion services.

Tourism services are distributed across more than 60 destinations in the Caribbean, Europe, as well as North America, South America, and North Africa. The due diligence processes in place ensure that first-tier partners comply with the quality standards required by Transat.

The tourism industry is considered more exposed than others to the risk of forced labour or child labour. Factors such as traveller mobility and anonymity, the vulnerability of certain populations, and the lack of awareness among tourism stakeholders contribute to increasing risk within the industry. This is why Transat has processes in place to help identify risks related to the sexual exploitation of children in certain tourist destinations.

In 2025, the Company joined *The Code* (The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism). This multi-stakeholder initiative aims to raise awareness and equip travel and tourism industry stakeholders to prevent the sexual exploitation of children. By joining, the Company commits to engaging in dialogue with local organisations, its staff members, and its customers to protect children's rights. An implementation plan has been submitted to the organisation overseeing the initiative, and actions will be progressively deployed starting in fiscal year 2026.

Steps taken to assess and manage the risks identified in operations and supply chains

Transat's procurement of goods and services is guided by principles of social responsibility that shape its strategies and practices in alignment with the Company's overall development plan. As a leading player in the Canadian tourism sector, Transat recognizes its responsibility to leverage its influence to help eliminate forced labour and child labour. This commitment requires the mobilization of all actors within its supply chain. In this regard, the Company relies on the cooperation of all its suppliers and expects them to meet the highest standards of quality and ethics, as defined in the Company's various policies and codes of conduct.

Furthermore, close collaboration among the Company's internal departments is essential to ensure compliance in procurement processes and effective risk prevention:

- The Corporate Responsibility team supports Strategic Procurement in matters related to environmental, social, and governance strategy. It ensures adherence to the Company's corporate responsibility framework and participates as a key stakeholder in assessing environmental, social, and governance risks when selecting goods or services.

- The Strategic Procurement team also works closely with the Legal Affairs department, which is involved in contract negotiations, provides recommendations, and ensures compliance with applicable laws and ethical standards, while guiding contracting parties on their legal responsibilities.

Contractual Clauses

Since 2024, the Supplier Code of Conduct has been an integral part of contracts signed with hotel service providers, reaffirming the Company's commitment to working with establishments that support the fight against child exploitation. This integration also stipulates that actions may be taken against any customer or staff member acting in contravention of these commitments.

Due diligence review

We carry out a due diligence assessment before entering into an agreement with a new supplier. Where appropriate, this due diligence may include a visit to the supplier's premises as a preventive risk-management measure, in order to confirm compliance with the Company's policies and to better understand the supplier's operational practices.

At least once a year, we also try to visit every hotel in our sun destinations with which we have a contractual relationship and at which our clients may stay in order to assess compliance with our procedures and quality standards. Even if the primary goal of these visits is not to detect forced labour or child labour practices, the individuals conducting these visits may report certain practices that would allow us to take certain appropriate actions.

Remedial Measures

During the financial year ended October 31st, 2025, no instances of forced labour, child labour or human trafficking were identified in the Company's operations or supply chains.

As a result, no corrective measures have been necessary to remedy cases of human rights violations and/or losses caused by Transat's measures to eliminate the use of forced labour or child labour in its activities and supply chains.

Should any instances of human rights violations be identified within its operations or supply chains, Transat will apply appropriate remediation strategies in accordance with international standards.

Training

All cabin crew members receive awareness training on human trafficking issues during initial onboarding. Information is also available in the crew instruction manual and includes details on the reporting procedure to follow in the event of suspicious behaviour. These awareness materials will be updated throughout 2026 as part of the continuous improvement of procedures aimed at combating human trafficking.

As part of its implementation plan for the six criteria of *The Code* initiative, the Company has committed to training its personnel to understand the risks of sexual exploitation and human trafficking within the industry, to learn how to identify them, and to report them appropriately. The content and format will be adapted to the realities and capabilities of each team. In-person training will be prioritised, although online learning will also be offered where necessary. Tools and content available to members of *The Code* initiative will be used to develop the training intended for personnel.

Assessment of effectiveness

In line with the commitments made in 2025, the first step has been completed in assessing the effectiveness of processes through the monitoring of the number of suppliers that have signed Transat's Supplier Code of Conduct or, where applicable, adhere to a code deemed equivalent. This measure opens the discussion on industry practices and will ultimately enhance the understanding of risks by purchasing segment and geography.

Continuous improvement and forward-looking actions to prevent and reduce risks of forced labour and child labour

Transat's responsible procurement approach remains a priority within the Sustainable Practices pillar of its corporate responsibility strategy. The Company recognises its responsibilities as an international contracting entity and is committed to pursuing the necessary actions to mobilise all actors across its supply chains in the fight against forced labour, child labour, and human trafficking.

During the last fiscal year, four key initiatives were launched to strengthen stakeholder engagement efforts. These initiatives represent a significant milestone in the implementation of Transat's corporate responsibility strategy and will continue throughout 2026.

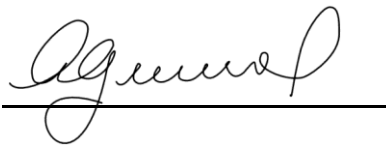
Focus areas	2025 Progress
Phase 2 of the procurement diagnostic, aimed at deepening the analysis of current practices, identifying priority action areas, and opportunities for improvement.	Planning the assessment of the Company's responsible procurement practices.
Development and implementation of specific measures to evaluate the effectiveness of actions taken and monitor progress achieved.	Launch of a monitoring process to track adoption of the Supplier Code of Conduct.
Revisiting awareness initiatives on issues related to human trafficking and the sexual exploitation of children through targeted training and strategies adapted to supply chain stakeholders.	Joining <i>The Code</i> in support of efforts to protect children's rights within the tourism industry.
Updating reporting procedures to ensure effective, confidential, and accessible management of reported incidents, while strengthening awareness of these mechanisms within the organisation and among stakeholders.	Update planned for 2026 to align the procedure with that proposed by <i>The Code</i> initiative.

Focus areas	2026 Objectives
Phase 2 of the procurement diagnostic, aimed at deepening the analysis of current practices, identifying priority action areas, and opportunities for improvement.	Assessment of the Company's responsible procurement practices and creation of a short-, medium-, and long-term improvement roadmap.
Revisiting awareness initiatives on issues related to human trafficking and the sexual exploitation of children through targeted training and strategies adapted to supply chain stakeholders.	Activation of <i>The Code</i> implementation plan through awareness sessions for Transat's personnel and customers.
Updating reporting procedures to ensure effective, confidential, and accessible management of reported incidents, while strengthening awareness of these mechanisms within the organisation and among stakeholders.	Revision of updated reporting procedures for Transat's hotel partners and personnel.

Approval and certification

This report was approved by the Board of Directors of Transat A.T. Inc. as being a joint report of Transat A.T. Inc., Air Transat A.T. Inc., Transat Tours Canada Inc. and The Airline Seat Company Limited for the financial year ended October 31, 2025, in accordance with subparagraph 11(4)(b)(i) of the Canadian Act.

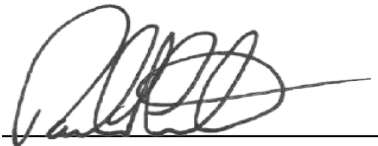
In accordance with the requirements of Canadian and U.K. law, and in particular section 11 of the Forced Labour and Child Labour in Supply Chains Act and section 54 of the *Modern Slavery Act*, we hereby attest that we have reviewed the information contained in the report for the entities listed above. To the best of our knowledge, and after having exercised due diligence, we attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Annick Guérard

Director, President and Chief Executive Officer, Transat A.T. Inc. Director and President, Air Transat A.T. Inc.

Chairman of the Board, President and Chief Executive Officer, Transat Tours Canada Inc. I have the power to bind Transat A.T. Inc., Air Transat A.T. Inc. and Transat Tours Canada Inc.



Patrick Linteau

Director, The Airline Seat Company Ltd.

I have the power to bind The Airline Seat Company Ltd.

January 16th, 2026