



Kenaidan Group Ltd. Supply Chain Report prepared pursuant to the Fighting Forced Labour and Child Labour in Supply Chain Act

1. Introduction

Kenaidan Group Ltd supports human rights at all levels of our business and is committed to creating an environment where human rights and personal dignity are upheld and protected, including addressing human rights impacts as per the UN Guiding Principles on Business and Human Rights. We are committed to respecting all internationally recognized human rights standards, which are guided by the International Bill of Rights and the International Labour Organization's Declaration on the Fundamental Principles and Rights at Work.

This report is being submitted pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act ("Act") by Kenaidan Group Ltd for the fiscal year ending December 31, 2025.

Kenaidan Group Ltd. is a holding company with strategic oversight of Kenaidan Contracting Ltd. a General Contracting Company, Kenaidan Infrastructure Ltd. a General Contracting Company focusing on Transportation Projects and KenWave Solutions Inc. a specialist in the field of pipe condition assessment. Although Kenaidan Group Ltd. has a vital role in managing the afore mentioned companies, it maintains a streamlined corporate structure, currently operating without any active operations of its own. KenWave Solutions Inc. and Kenaidan Infrastructure Ltd. do not currently meet the threshold for reporting therefore the activities outlined in this report are focused on Kenaidan Contracting Ltd.

Further details on the structure and activities will be elaborated upon in the sections that follow.

2. Structure and Activities

Kenaidan Group Ltd.

Kenaidan Group Ltd is a holding company that owns 100% shares of the subsidiaries described herein. Kenaidan Group Ltd. does not engage in any active operations of its own. In 2011 Obayashi Corporation acquired a majority share of Kenaidan Group Ltd. and manages its interests in Kenaidan Group Ltd. through Obayashi Canada Holdings Ltd. Obayashi Corporation is based in Tokyo, Japan. A separate report under the act has been filed for Obayashi Canada Holdings Ltd.

Kenaidan Contracting Ltd. (“Kenaidan”)

Kenaidan was incorporated in the Province of Ontario in 1978 and currently operates solely in Canada in the Provinces of Ontario and British Columbia. The company is a General Contractor focusing on Infrastructure Projects primarily in the areas of Transit and Water/Wastewater. Most of Kenaidan’s work is for government clients/agencies.

KenWave Solutions Inc.

KenWave Solutions Inc. was established itself as a provider of data-driven consultations aiming to close the buried asset information gap. KenWave uses an innovative and patented dynamic-response imaging technology to collect data on the condition of pipelines across a wide variety of pipe types.

Kenaidan Infrastructure Ltd. (“KIL”)

Kenaidan Infrastructure Ltd. focuses on Joint Venture large scale infrastructure transit projects throughout Ontario. As an individual entity, KIL did not exceed the thresholds mandating separate reporting under the Act.

3. Supply Chain

Kenaidan does business with a wide range of Suppliers, the majority of whom (approximately 98%) are specialty contractors located in Ontario and British Columbia, who are contracted to construct a specific scope of work for the construction project including the supply and

installation of materials and equipment, from Canada, the United States and on occasions, Germany. We surveyed our Class 1 and 2 Suppliers in 2025 and identified minimal to no risk in supply chain outside of Canada and the United States.

On occasion we directly import manufactured goods to be incorporated into construction projects. In this instance the manufactured goods are installed by our own forces or local subcontractors. Examples of imported goods would be escalators, process pumps and specialty mechanical equipment. Most of the goods purchased are from Canada and the United States.

We strive to work with Suppliers who operate legally, ethically, responsibly, and are aligned with our safety philosophy and core values.

4. Policies in Relation to Forced Labour and Child Labour

We require all suppliers and subcontractors engaged in construction activities to complete an orientation with respect to our policies and requirements prior to commencing work on site. Our employees receive orientation to our policies upon hire, have regular access to policies and updates through our internal portal and they are also required to complete a reorientation to our policies every 3 years.

The following policies and standards guide our commitment to upholding our ethical responsibilities:

4.1 Human Rights

The policy sets out Kenaidan's commitment to respect all internationally recognized human rights standards, which are guided by the International Bill of Rights and the International Labour Organization's Declaration on the Fundamental Principles and Rights at Work.

4.2 Code of Business Conduct

This policy sets out Kenaidan's dedication to maintaining its reputation for integrity, ethical behaviour, and good corporate citizenship, and expects all employees to abide by basic

principles of lawful business conduct. This policy outlines the standards expected of employees in their interactions with clients, consultants, sub trades, vendors, and fellow employees.

4.3 Health and Safety

This policy outlines Kenaidan's commitment to ensuring that practical and effective measures are in place to both protect the health and safety of our employees, customers, subcontractors, suppliers, and the public, and to ensure that all workplace parties comply with local laws and regulations.

4.4 Supplier Code of Conduct.

This document establishes clear expectations for the ethical, social, and environmental standards that all our business partners, including, their representatives, agents, employees, suppliers, contractors, subcontractors, consultants, and any other third-party entities that supply goods and services to Kenaidan Contract Ltd must adhere to when doing business with Kenaidan.

As part of Kenaidan's ISO 9001 and ISO 45001 Registrations all employees and suppliers play a role in ensuring we conduct our business activities in an ethical, safe, legal, and responsible manner while upholding our corporate values.

5. Forced Labour and Child Labour Risks

Given that an estimated 98% of our total supplier spend is with suppliers in Canada and the US we consider the overall risk of Forced Labour or Child Labour being present with our direct suppliers to be low. However, we appreciate that many of our suppliers supply us with products that originate from other jurisdictions, and all have their own global supply chains and additional work is required to assess and understand this risk. Kenaidan has set targets for 2026 to complete an analysis of our high-risk suppliers.

Kenaidan does not employ seasonal workers. The majority of Kenaidan subcontractors who provide seasonal work are unionized (i.e. LiUNA, CLAC, etc.) therefore bound by the respective union's agreements and/or obligated by fair wage contractual obligations (i.e. City of Toronto).

Kenaidan workers who are not citizens or permanent residents of Canada and have temporary resident status and a work permit are all employed by the same procedure, receive the same benefits and are subject to the same human rights policies as any other Kenaidan employees.

Once risks are identified we will begin to develop plans to mitigate these risks.

6. Steps Taken to Prevent and Reduce the Risks of Forced Labour and Child Labour in 2025:

Kenaidan took the following steps during 2025 to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- Applied the Supplier Code of Conduct which outlines our expectations of supply chain partners around forced labour or child labour. This document was sent to all Tier 1 suppliers and will be provided for new Tier 1 Suppliers. As an extra measure we have also referenced this Code of Conduct in all new agreements for Tier 1 Suppliers.
- Developed a risk assessment process to categorize the Tier 1 Suppliers into different risk classifications based on volume of work. Class 1 Suppliers is specified as suppliers / subcontractors with contract value equal or greater than \$1,000,000. Class 2 Suppliers are categorized as suppliers / subcontractors with contract value of less than \$1,000,000 but greater than \$500,000.
- Surveyed Class 1 Suppliers to obtain additional information on their supply chain methodologies. In 2025 we expanded the survey to Class 2 Suppliers as well.
- We are currently compiling responses and following up with suppliers as required.

7. Planned Steps to be taken in 2026 to Prevent and Reduce the Risks of Forced Labour and Child Labour:

The following is a summary of the steps that will be undertaken by Kenaidan in 2026 to mitigate Forced Labour and Child Labour risks in its supply chain:

- We will survey and review data gathered from our Class 1 and Class 2 Suppliers to understand risk through analysis of their supply chain and sub-suppliers.
- Embedded in Kenaidan subcontract, purchase agreement and purchase order template terms and conditions, there will be a mandatory compliance clause that reads:
“The Supplier / Subcontractor shall strictly comply with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9. Upon request, the Subcontractor shall promptly provide the Contractor with written evidence demonstrating such compliance. Any breach of this provision by the Subcontractor constitutes a material default of this Contract, granting the Contractor the right to immediately terminate the agreement without penalty.”
All Class 1 Suppliers must have this clause inserted in their agreements.
- When we are able to prequalify the subcontractors and suppliers, we will insert into our prequalification requirements of any Class 1 Suppliers to comply with the requirements of the Act.
- Preconstruction Meetings are a requirement under our ISO 9001 Standard. Moving forward we are taking steps to embed in our preconstruction procedure that All subcontractors must attend a preconstruction meeting in which the Suppliers Code of Conduct and other Kenaidan policies to prevent forced and child labour is in the agenda.

8. Remediation Measures

In 2025 Kenaidan did not identify any instances of Forced Labour or Child Labour in its operations or supply chain. As a result, we have not had to take any measures to remediate Forced Labour or Child Labour.

9. Training Provided to Employees on Forced Labour and Child Labour

When onboarding new staff, we provide training regarding our safety commitments and Kenaidan's Code of Business Conduct and our Human Rights Policy. Kenaidan is also committed to improving the capacity of our Staff to understand, identify and manage the risks of Forced Labour and Child Labour in our operations and across our supply chains through additional training to be developed.

We require mandatory policy reorientation every 3 years for all employees which includes a review of our Business Code of Conduct and Human Rights Policies, this cadence allows Kenaidan to continuously review and adjust its training topics to address those activities with higher risk. We provide additional targeted training on our Core Values and Ethics.

10. Assessing Our Effectiveness

Kenaidan understands that it has a responsibility to assess and report on the risk of Forced Labour and Child Labour in its operations and supply chain over the long term. We are in the initial stages of assessing our risk and developing measures to address the risks identified, once this is completed, we will put measures in place to assess our effectiveness.

We are satisfied that, because of recruitment, remuneration and compliance measures throughout our operations, there is no risk that any of our employees are at risk of Forced Labour. We continue to be guided by our policies and principles in our relationships with our stakeholders, including working with reputable and industry recognised suppliers and subcontractors.

11. Looking Forward

Preventing and addressing Forced Labour and Child Labour in our operations and supply chains is an ongoing process that requires continued monitoring and evaluation. Kenaidan is committed to conducting its business in a manner that prohibits forced labour or child labour. We expect all employees and suppliers working on our behalf to adhere to these principles.

12. Approval and Attestation

This Report, for the fiscal year ending December 31, 2025, has been approved by the Board of Directors of Kenaidan Group Ltd on May 5, 2026. .

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report of the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true and accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.

May 6, 2026



John Goffredo
President of Kenaidan Group Ltd

I have authority to bind Kenaidan Group Ltd.