



## **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 financial year ending December 31, 2023.

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

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

## **2. Steps Taken to Prevent and Reduce the Risks of Forced Labour and Child Labour in 2023:**

In general terms, Kenaidan took the following steps during 2023 to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- Established an internal working group consisting of two senior executives who lead the Procurement and Human Resources functions to review the impact of the Act on Kenaidan and to address the risks of Forced Labour or Child Labour.
- Engaged the services of external counsel to assess the legislative framework and advise Kenaidan on best practices gathered from other Canadian entities.
- Drafted a Human Rights Policy to integrate with existing policies. The policy was subsequently published outside of the current reporting period.
- Gathered data on suppliers.

## **3. Structure and Operations**

### **Kenaidan Group Ltd**

In 2011 Obayashi Corporation acquired a majority share of Kenaidan Group Ltd and manages its interests in Kenaidan Group through Obayashi Canada Holdings. 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 Contracting Ltd 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 the work we do is for government clients/agencies. The company employed 275 people in Canada.

### **KenWave Solutions**

KenWave Solutions, has established itself as a leading provider of data-driven solutions aiming to close the buried asset information gap. KenWave uses an innovative and patented dynamic-response solution to collect pipeline condition data across a wide variety of pipe materials and diameters.

#### **4. Supply Chain**

Kenaidan does business with a wide range of Suppliers the majority of whom 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. These suppliers are in Canada and the US. It is not known currently where their materials or equipment are sourced.

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 the United States and Canada. It is not known currently where our suppliers are sourcing their good and materials.

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

#### **5. Policies in Relation to Forced Labour and Child Labour**

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.

We require all suppliers 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:

**5.1 Human Rights – *published outside of this reporting period.***

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.

**5.2 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.

**5.3 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.

**6. Due Diligence in Relation to Forced Labour and Child Labour**

The following is a summary of the due diligence processes undertaken by Kenaidan to mitigate risks in its supply chain which will be incorporated into our due diligence in assessing risk for Forced Labour and Child Labour:

- Preconstruction Meetings are a requirement under our ISO 90001 Standard. These meetings will be used to discuss risks with suppliers and to review the proposed Supplier Code of Conduct which will be implemented in 2024.
- Supplier Surveys are a current requirement under our ISO 9001 Standard, and we will be incorporating questions regarding supply sources into this survey in 2024.

## **7. 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 2024 to complete an analysis of our high-risk suppliers. Categorization of risk level was completed outside of the current reporting period.

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

## **8. Remediation Measures**

In 2023 Kenaidan had not identified 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.

We are committed to providing access to effective reporting mechanisms related to concerns arising from compliance with our policies.

## **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 Ethics. 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, 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 early 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 low 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 companies.

## **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. Kenaidan will continue to respect the rights and act with integrity in our operations and business dealings.

## 12. Approval and Attestation

This Report, for the financial year ending December 31, 2023, has been approved by the Board of Directors of Kenaidan Group Ltd on May 31, 2024.

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 31, 2024



**John Goffredo**  
**President of Kenaidan Group Ltd**

*I have authority to bind Kenaidan Group Ltd.*