

Obayashi Canada Holding Ltd. Supply Chain Report prepared pursuant to the Fighting Forced Labour and Child Labour in Supply Chains Act

As a member of the Obayashi group of companies (the “**Obayashi Group**”), and in accordance with the Obayashi Group’s policies, Obayashi Canada Holding Ltd. (“**OCHL**”) is committed to preventing forced labour and child labour.

OCHL is a wholly owned subsidiary of Obayashi Corporation (the “**Parent Company**”). It is subject to its oversight and its policies, including policies aimed at preventing the introduction of forced labour and child labour in the Obayashi Group’s supply chains.

Being a holding company, OCHL is not involved in the business activities that are reportable under the Act. While it forms part of the Obayashi Group, which is engaged in importing and distributing goods, OCHL itself does not participate in these activities. While OCHL has assets and employees in Canada, it does not conduct business in Canada or elsewhere. Consequently, OCHL has no direct supply chain information to report.

Since 2019, the Parent Company has published the statement annually based on a comprehensive review with the support of external advisors of its due diligence practices in terms of forced labour and child labour in the Obayashi Group’s business and supply chains.

1. The Organizational Structure, Business, and Supply Chain

1-1. Obayashi Group Business and Structure

OCHL manages and controls Obayashi Canada Ltd. (hereafter “**OCL**”) and Kenaidan Group Ltd. (hereafter “**KGL**”) in Canada. Both OCL and KGL are corporations organized under the laws of the Province of Ontario that operate in the field of construction.

The Parent Company was founded in 1892 and has its head office in Tokyo. The Parent Company has 109 subsidiaries, 27 affiliated companies, and 15,876 employees at the consolidated level (as of March 31, 2023). The Obayashi Group operates in 16 countries¹ in various fields of activity including construction, real estate development and green energy generation and distribution. The bulk of its commercial activities is concentrated in Japan, North America, and Asia.

¹ The Obayashi Group operates its business in the following countries and regions: United States, Canada, Singapore, Malaysia, Thailand, Myanmar, Indonesia, Vietnam, Cambodia, Taiwan, Bangladesh, UK, United Arab Emirates, Qatar, New Zealand, and Australia.

The Obayashi Group has an Office in London, England operated by OBAYASHI PROPERTIES UK Limited (hereafter, “OPUK”). OPUK operates a real estate rental and development business mainly focusing on office buildings. The Parent Company has an Office located in Sydney, Australia, and operates a construction business.

The Obayashi Group’s total consolidated net sales were 2.3 trillion yen in FY2023(April 1, 2023 to March 31, 2024). Canada accounts for roughly 1.28% of total consolidated net sales. As indicated above, OCHL is a holding company and does not carry on any business of any sort. The total number of Obayashi Group employees at the consolidated level include one hundred sixty-nine employees in Canada.

Further information about the Obayashi Group and its businesses can be found online by accessing the links shown below:
The Parent Company profile: <https://www.obayashi.co.jp/en/company/>
Office locations: <https://www.obayashi.co.jp/en/company/group.html>

1-2. Overview of the Supply Chain

The Obayashi Group recognizes the importance of all suppliers involved in the Obayashi Group’s supply chains, and regards each of them as important stakeholders. Suppliers for the Obayashi Group’s main line of business, namely construction, are divided into two main categories: labour subcontractors and suppliers of materials and equipment. In Japan, the Parent Company has about 8,000 suppliers for its construction business

2. Policy on Slavery and Human Trafficking

2-1. Basic Principles

The “Obayashi Basic Principles,” which consist of the Obayashi Philosophy, Obayashi Code of Conduct, and Obayashi Three Pledges, aim to have the Obayashi Group contribute to the realization of a sustainable society. These principles are shared with and implemented by all officers and employees in the Obayashi Group. In furtherance of these fundamental principals, the Obayashi Group has clearly entrenched social responsibilities in its governance and operations and has implemented many sustainability-related initiatives aimed at fulfilling CSR (corporate social responsibility).

The Obayashi Group has identified respect for human rights as an important element in fulfilling its corporate social responsibilities. The Obayashi Philosophy states that Obayashi Group companies must “value each person with a stake in their business.” The Obayashi Code of Conduct specifies the guidelines for putting the Corporate Philosophy into practice: “Value every one of our associates,” “Build stronger mutual trust with suppliers,” “Build good relationships with communities,” and “Ensure strict adherence to corporate ethics.”

Further information on the Obayashi Basic Principles can be found online by accessing the link shown below:
<https://www.obayashi.co.jp/en/company/philosophy.html>

2-2. Human Rights Policy

The Obayashi Group has implemented the Obayashi Group Human Rights Policy which aligns with the Universal Declaration of Human Rights. The Obayashi Group supports the ILO International Labour Standards and other international norms, and have specified the policy of respecting the human rights of all officers and employees and all people associated with our business.

Further information on the Obayashi Statement on Human Rights can be found online by accessing the link shown below:
<https://www.obayashi.co.jp/en/sustainability/employee.html#section1>

2-3. Obayashi Health and Safety Principles and Policies

The Group has set forth the Obayashi Health and Safety Principles and Policies based on its belief that ensuring the safety and health of all workers at construction sites in its main construction business is of the utmost importance.

Further information on the Obayashi Health and Safety Policies can be found online by accessing the link shown below:
<https://www.obayashi.co.jp/en/sustainability/safeenv.html#section1>

2-4. Obayashi Group CSR Procurement Policy

The Obayashi Group established the Obayashi Group CSR Procurement Policy specifies actions aimed at realizing a sustainable society and otherwise satisfying the Obayashi Basic Principles. It includes compliance with applicable laws and regulations, respect for human rights, assurance of safety and health, ensuring quality, and consideration for the environment. The Basic Policy on CSR Procurement Initiatives specifies items that the Obayashi Group officers and employees need to comply with principals of CSR in terms of procurement activities.

The CSR Procurement Guidelines prescribe items that the Obayashi Group expects its suppliers to implement and to make sure that everyone in the suppliers' own supply chains understand, in line with the Basic Policy on CSR Procurement Initiatives. Specific guidelines state that suppliers will, among other things, "not discriminate . . . nor engage in harassment, or other activities that infringe upon human rights," "not engage in or permit misconduct such as the use of forced labour or child labour," "ensure equal employment opportunity, practice appropriate labour management, pay appropriate wages, and maintain and improve working environments so they are healthy and easy to work in,"

“guarantee freedom of association and collective bargaining rights for employees,” as well as “strive to understand and cooperate with the human rights due diligence performed by Obayashi Group companies.”

Further information on the Obayashi Group CSR Procurement Policy and CSR Procurement Guidelines can be found online by accessing the links shown below:

Obayashi Group CSR Procurement:
https://www.obayashi.co.jp/en/sustainability/suppliers/csr_procurement.html

Obayashi Group CSR Procurement Guidelines:
https://www.obayashi.co.jp/en/sustainability/suppliers/csr_procurement.html#section2

2-5. Participation in the United Nations Global Compact

The Obayashi Group has been a signatory to the United Nations Global Compact since 2013. As a member of the Global Compact, the Obayashi Group respects human rights and supports the complete prohibition of forced labour and child labour in all forms, based on the principles of the Global Compact.

3. Promotion of Due Diligence on Modern Slavery and Human Trafficking in the Business and Supply Chain

On the executive side, the Obayashi Group has established the Human Rights Expert Committee, chaired by the Parent Corporation’s Executive Officer, Human Resources, as well as the Supply Chain Management Expert Committee, chaired by the Head of the Parent Company’s Building Construction Division, namely the Head of Building Division. These committees oversee the development, implementation, deployment and review of human rights due diligence, and strive to solve human rights issues faced by the Obayashi Group and its supply chains. Both committees work to raise human rights awareness within the Obayashi Group and to promote cross-departmental efforts with the departments responsible for Human Resources and Procurement playing a central role and ensuring transparency and enhancing communications and collaboration between the various departments of the Parent Company and those of the other Obayashi Group.

The procedure for conducting human rights due diligence followed by the Obayashi Group during its last completed financial year is described below.

(1) Identification of Main Human Rights Issues (Identification Last Made in FY2019)

- 1) Mapped the supply chains for the Obayashi Group’s main business sectors, including construction, real estate development, and renewable energy generation and distribution, and identified the forced labour and child labour risks in terms of each stakeholder.
- 2) Consulted various reports published by the governments and NGOs of the countries in

which the Obayashi Group companies operate and, with the advice of experts, evaluated the presence of the risks identified in such reports in terms of Obayashi Group companies operating in the relevant jurisdiction(s).

3) Specified the human rights issues to be prioritized and addressed.

The main human rights issues of stakeholders have been identified and prioritized. These include combatting child labour and forced labour which are top priorities for the Obayashi Group.

(2) Assessment of the Actual State of Salient Human Rights Issues Identified

(a) Assessment of the Parent Company (Assessment Last Made in FY2020)

Interviews of the heads of the Parent Company's corporate divisions and departments were undertaken, as well as interviews of other Parent Company personnel with oversight in terms of the Parent Company's supply chains. These interviews revealed that the Obayashi Group companies in Japan do not employ workers (including trainees) who would be considered child labour under the laws of Japan. The interviews also confirmed the absence of use of forced labour in terms of the employees (including trainees) of the Parent Company. However, the Obayashi Group recognizes the need to continue investigations into the risk of forced labour, child labour, and other types of labour that could potentially be considered modern slavery in regard to workers employed by suppliers to the Obayashi Group.

(b) Assessment of the Obayashi Group companies domiciled in Japan (Assessment Last Made in FY 2021)

The Parent Company interviewed six major Obayashi Group companies, namely Obayashi Road Corporation, Obayashi Facilities Corporation, Oak Setsubi Corporation, Naigai Technos Corporation, Obayashi-Shinseiwa Real Estate Corporation and Oak Information System Corporation. These interviews revealed that none of these companies employs workers (including trainees) who would be considered child labour under the laws of Japan. They also revealed that they hire foreign workers in accordance with the same recruitment procedures as those applicable to Japanese counterparts without resorting to intermediaries in the foreign workers' respective country of origin. The interviews also confirmed the absence of use of forced labour in terms of the employees (including trainees) of these Obayashi Group companies. The Obayashi Group understands the challenges in ensuring that the foregoing situation applies in terms of workers employed by Obayashi Group companies' suppliers, and the Obayashi Group as a whole therefore continues to examine and investigate the risk of use of forced labour and child labour

involvement in human trafficking of foreign technical trainees, forced labour, child labour, and other types of labour that could potentially be considered modern slavery.

(c) Assessment of the Group Companies not domiciled in Japan (Assessment Last Made in FY2022)

The Parent Company conducted questionnaire surveys involving 19 Obayashi Group companies having offices outside of Japan (“Non-Domiciled Companies”) concerning their initiatives to ensure respect for human rights. The survey results confirm that all Non-Domiciled Companies are offering human rights-related training and implementing initiatives such as language-related arrangements for foreign workers employed by Non-Domiciled Companies who work at construction sites.

(3) Development of the Human Rights Due Diligence Roadmap (Roadmap Developed in 2023)

The Obayashi Group has developed a roadmap (action plan) for human rights due diligence for FY2023 through FY2026. Based on the human rights issues identified above and the circumstances recognized, the Obayashi Group has developed specific measures to build implementation processes for human rights due diligence.

The Obayashi Group will continue to promote initiatives to ensure respect for human rights as outlined in the aforementioned roadmap.

Further information on Obayashi’s sustainability promotion framework can be found online by accessing the link below:
<https://www.obayashi.co.jp/en/sustainability/#section1>

4. Specific Initiatives

4-1. Supply Chain Management

The Obayashi Group emphasizes building stronger mutual trust with suppliers in the Obayashi Code of Conduct. We recognize that initiatives encompassing the entire supply chain are essential to achieve this. To ensure that suppliers comply with the Obayashi Group CSR Procurement Guidelines, the Obayashi Group has incorporated the requirement that Obayashi Group suppliers comply with laws and regulations as well as respect human rights in terms of their work force and their own supply chains into its agreements with Obayashi Group suppliers.

(1) Promotion of CSR Procurement

The Parent Company carries out the following surveys and inspections for the

Obayashi Group's major suppliers, aimed at deepening the understanding and awareness of CSR procurement both at the Parent Company and said suppliers. The Parent Company also monitors instances of possible risk of use of forced labour and child labour in terms of said suppliers on a periodic basis.

(a) Questionnaire Surveys Concerning the CSR Procurement Guidelines

Every fiscal year, the Parent Company sends the CSR Procurement Guidelines to its major suppliers to ensure that they fully understand and comply with the Guidelines. The Parent Company also conducts questionnaire surveys to determine the level of understanding of the Guidelines by said suppliers.

(b) Traceability Surveys on Materials Procured

The Parent Company confirms with suppliers of materials and equipment that the quality of the goods they deliver complies with applicable laws and regulations, international standards, and other CSR criteria. The Parent Company each year conducts traceability surveys on wood products and solar panel components procured overseas materials used at construction sites in Japan as the manufacturing of these materials have previously been identified as carrying a high risk of human rights violations. The 2023 survey results confirm that there is currently no obvious risk of human rights violation.

(c) Surveys Concerning Hiring of Foreign Workers (in FY2022)

The Parent Company conducted questionnaire surveys to better understand the current state of affairs in terms of hiring of foreign workers by suppliers. Based on survey results, the Parent Company held individual meetings with several of these suppliers in order to receive further details and clarifications in terms of the working environment for such suppliers' foreign workers and the specific initiatives that they are carrying out to review the working conditions and environments of foreign workers in terms of their operations and their respective supply chains.

The results of these surveys show that among foreign workers hired by the Parent Company's primary suppliers (1,252 persons), approximately 37% (457 persons) have worked at the Parent Company's construction sites, and over half of them are Vietnamese nationals. Furthermore, the Parent Company were able to confirm that all of the respondent suppliers pay wages in accordance with the pre-approved plans, do not confiscate foreign workers' passports or other identification documents, and do not impose illegitimate movement restrictions on foreign workers. The Obayashi

Group will continue its efforts to understand the situation of hiring of foreign technical trainees.

(d) Raising Awareness about Supply Chain Management

- In-house training (in FY2021)

The Parent Company provided in-house training on supply chain management to the departments of the various Obayashi Group companies that are responsible for procurement and construction. These training sessions involved external experts. The Parent Company also offered online training on CSR procurement for all officers and employees of the Obayashi Group companies (the participation rate across the Obayashi Group was 92.7%).

- Raising awareness among suppliers (in FY2021)

The Parent Company provided training materials on supply chain management (which were prepared by external experts) to the suppliers covered by the questionnaire surveys concerning the CSR Procurement Guidelines.

The Obayashi Group will continue to educate suppliers to further improve their understanding of the CSR Procurement Guidelines.

Further information on the Obayashi Group ESG materialities and KPIs can be found online by accessing the link below:
https://www.obayashi.co.jp/en/sustainability/upload/img/en_esg_kpi_20230606.pdf

4-2. Establishment of Consultation Desks

The Parent Company has established a centralized human rights-related consultation desk under the Corporate Ethics Consultation and Reporting System. The Parent Company has also established a consultation desk dedicated to harassment cases, including cases of reprisal tied to reporting actual, suspected or potential non-compliance with CSR Procurement Guidelines. Both desks are open to all officers and employees of Obayashi Group companies as well as to Obayashi Group suppliers and other external stakeholders. The Parent Company provides an environment that makes it easy for individuals to report instances of actual, suspected, or potential non-compliance with CSR Procurement Guidelines by enabling them to choose whether to report such instances by phone, email, or by mail. Any report received is dealt with promptly in accordance with its rules while ensuring that the person who has reported is protected and is not subjected to disadvantageous treatment.

In 2023, no report or request for consultation was received concerning activities that might

lead to use of forced labour or child labour, and other violations of human rights.

(1) Corporate Ethics Consultation and Reporting System

Under this system, two consultation desks are available for reporting illegal or suspicious conduct and raising various issues concerning human rights. One is an internal desk with a direct link to the Corporate Ethics Committee and the Audit & Supervisory Board. The other is an external desk operated by an external law firm.

On various occasions, we endeavor to familiarize the persons concerned with the Corporate Ethics Consultation and Reporting System. We also post details about the Corporate Ethics Consultation and Reporting System on the Parent Company's intranet, advertise it on in-house posters, explain it in regular training sessions, and send an email once a year calling attention to it. For external stakeholders, the Obayashi Group posts it on the website so that anyone can access and review it.

Further information on "the Obayashi Group Corporate Ethics Reporting System" and "Harassment Consultation Desks" can be found online by accessing the link below:

Reporting Process of Corporate Ethics Consultation and Reporting System:
<https://www.obayashi.co.jp/en/sustainability/ethics.html#section1-2-3>

4-3. Effectiveness

The Parent Company's Board of Directors has decided on the management policy on sustainability, which also encompasses respect for human rights. Based on this policy, two kinds of committees have been established on the executive side: the Business Plan Committee and two expert committees in the area of sustainability (the Human Rights Expert Committee and the Supply Chain Management Expert Committee). Each of these committees formulates policies on human rights issues, develops and implements measures to address them, assesses the implementation status in each department, evaluates relevant efforts, and improves them for better effectiveness.

In addition, the Sustainability Committee, established under the Board of Directors, studies policies on how to address sustainability issues, including human rights issues, provides relevant reports to the Board of Directors, and assesses the status of implementation at the operational level of various Obayashi Group companies.

4-4. Remediation Measures

No measures were taken during the previously completed financial year to remediate any loss of income to the most vulnerable families that results from any measures taken to eliminate the use of forced labour or child labour in the Obayashi Group's activities and

supply chain.

5. Training on Modern Slavery and Human Trafficking

5-1. Promoting Awareness of Human Rights

The Obayashi Group companies endeavour to raise awareness of human rights among their respective officers and employees. The Obayashi Group has established the Human Rights Expert Committee, which is chaired by the Parent Company's Executive Officer, Human Resources. This committee endeavours to prevent infringement of human rights, ascertains human rights issues, and endeavours to resolve any such issues. It also promotes initiatives aimed at increasing awareness of human rights within the Obayashi Group.

Every fiscal year, the Obayashi Group companies provide training and educational resources to provide basic knowledge on human rights during training sessions for their newly hired employees and rank-specific training sessions. In FY2023, the Obayashi Group's officers and employees were provided with online training on the subject of material procurement from the perspective of respect for human rights and environmental protection (the participation rate was 94.1%). During these training sessions, Obayashi Group companies make thorough efforts to fully familiarize their respective officers and employees with our CSR procurement policy and human rights policy and the Obayashi Group's consultation desks.

Training for our suppliers is detailed in "4-1 Supply Chain Management".

Further information on Obayashi Group initiatives on human rights can be found online by accessing the link below:
<https://www.obayashi.co.jp/en/sustainability/employee.html#section1>

5-2. Compliance Training

The Obayashi Group has established the Corporate Ethics Committee, which is chaired by the Parent Company's president. This committee works to ensure compliance and maintenance of corporate ethics. As one of these initiatives, the committee has mandated that all officers and employees of the various Obayashi Group companies undergo compliance training every year. This training provides an opportunity to make officers and employees aware of their own actions from a corporate ethics perspective. Additionally, this is intended to help them acquire abilities to root out illegal conduct and corporate ethics violations within the relevant Obayashi Group Company and its supply chain.

For corporate ethics training KPI, the Parent Company previously set as a goal that all of its employees take such training by 2023, and this goal was achieved. The Obayashi Group will continue to promote compliance education to ensure that compliance awareness takes

root in its corporate culture.

Further information on the Obayashi Corporate Ethics program can be found online by accessing the link below:
<https://www.obayashi.co.jp/en/sustainability/ethics.html>

6. Cooperation within the Obayashi Group

In FY2019, the Obayashi Group has formulated operating rules on management through collaboration between the various Obayashi Group companies. Such operating rules apply to Obayashi Group companies including the Parent Company. Obayashi Group companies continually share relevant information with the Parent Company.

In addition to sharing management policies and goals, the Obayashi Group also works to strengthen alliances between Obayashi Group companies by having top management from Obayashi Group companies participate in regularly scheduled executive officers' meetings and interact with the executive officers of the Obayashi Group. The Obayashi Group is also working on strengthening the network between locations through regular business reporting meetings and liaison meetings held by the Obayashi Group's North American Regional Headquarters.

At executive officers' meetings, the Obayashi Group offers training on such topics as "harassment prevention" and "diversity and inclusion" and also explain the importance of initiatives aimed at respecting human rights. Moreover, those responsible for human resources at the main Obayashi Group companies domiciled in Japan participate in the Parent Company's Human Rights Expert Committee to share the awareness of human rights issues, and launch joint initiatives aimed at preventing human rights violations.

The Human Rights Expert Committee and the Supply Chain Management Expert Committee work together and take the lead in implementing specific initiatives with a view to strengthening cooperation throughout the Obayashi Group, promoting respect for human rights and human rights due diligence.

7. Future Initiatives

In accordance with the human rights due diligence roadmap developed in 2023, the Obayashi Group will implement specific initiatives to deal with the human rights issues identified. The Obayashi Group's main initiatives are as follows.

(1) Monitoring of Human Rights Risks

First, the Obayashi Group will begin to develop compliance systems covering the Parent

Company's three major operations: building construction, civil engineering, and real estate development. The Obayashi Group will conduct surveys with each overseas office.

(2) Promotion of Supply Chain Management

The Obayashi Group will provide training to its major domestic suppliers, aiming to raise their awareness of human rights and to further familiarize them with the CSR Procurement Guidelines.

This Report, for the fiscal year ending December 31, 2023, has been approved by Board of Directors of Obayashi Canada Holdings Ltd. on May 17, 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, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.

May 17, 2024



Hiromitsu Kato

President of Obayashi Canada Holdings Ltd.

I have the authority to bind Obayashi Canada Holdings Ltd