

PNR RAILWORKS INC. REPORT

Re: Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

1. Introduction and Identity

This Report is made by **PNR RailWorks Inc.** (“PNR”, “our”, “us” and “we”) for the financial reporting year ended December 31, 2025 (the “**Reporting Period**”) and sets out the steps taken by us to prevent and reduce the risk that forced labour or child labour was used at any step of the production of goods in Canada or elsewhere by the Corporation or of goods imported into Canada by the Corporation during the Reporting Period.

This Report has been prepared and filed pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

2. Steps Taken During the Reporting Period to Prevent and Reduce Risks of Forced Labour and Child Labour

The steps taken by PNR during the Reporting Period to prevent and reduce risks of forced labour and child labour are set out in this Report.

3. Structure, Activities and Supply Chains

Structure

PNR RailWorks is Canada's largest and most experienced full-service railroad contractor. Founded in 1961, PNR RailWorks serves Canada through five regional offices as well as shops and yards in Alberta, British Columbia, Ontario, and Quebec.

PNR RailWorks provides a complete range of construction, communications, rehabilitation, and maintenance services to Class I railroads, short lines, transit authorities, and industrial facilities across Canada. Projects range from industrial spurs and yards to freight lines, commuter rail and transit rail. PNR has 875 employees in Canada.

Activities

Railroad Track & Signals / communications construction spaces. Includes aggregate, asphalt & concrete as needed. PNR is ISO 9001, 45001, COR and WSIB excellence certified. Supplier policies exist to support anti child labour / corruption within material and service supply chains. PNR RailWorks' business involves new and repair construction of commuter, light rail, private industrial and class #1 rail road infrastructure across Canada. Some of PNR's main clients serviced include:

Metrolinx, British Columbia Rapid Transit Company Ltd., ONXpress, Mobilinx Hurontario General Partnership, Société du parc industriel et portuaire de Bécancour, Amico Corporation, Canadian Pacific Railway Company, Réseau express métropolitain Inc., General Motors of Canada Company and Honda Canada Inc.

The materials needed for safety and quality compliance are governed by the American Railway Engineering and Maintenance-of-Way Association (AREMA).

Supply Chains

Due to the AREMA material requirements for this industry, PNR's supply chain is narrow with many large established manufacturers and brokers providing the bulk of materials needed for various projects. Some of PNR's larger suppliers include: Gerdau, Ameristeel, Vossloh, Stella Jones, Progress Rail Services Corporation (a Caterpillar company), Voestalpine Railway Systems Nortrak Ltd., Siemens Canada Limited, Alstom Transport Canada Inc. and A&K Railroad Materials, Inc.

Much of the products used by PNR are produced in the United States but some do come from overseas locations such as Asia & Europe. Almost all of the overseas demand for products is either specialized electrical components or specialized steel products and PNR may or may not directly procure. Products are often sole sourced to fulfill form fit and function requirements in some cases, not allowing for alternatives to the specified materials.

For personal protective equipment (PPE) and promotional / branded items PNR only works with validated providers such as Bolts Plus, Weber Supply, Charles Jones and 4imprint.

For service providers (subcontractors), they are vetted through a prequalification process and are held to PNR's contracts and or terms and conditions which require anti- forced and child labour practices and ethical conduct.

The qualified supply chain suppliers and partners also have their own policies and procedures to validate that forced and child labour are not present in their supply chains.

4. Policies and Due Diligence Processes:

PNR currently has policies and/or due diligence processes in place related to forced labour and/or child labour including:

- Supplier requirements to combat forced / child labour + ethical compliance in PO terms and conditions.
- Terms and conditions in Subcontracts & Master Supplier Agreements (MSA) which allow PNR to terminate any contracted works if the supplier is found to be in violation of forced / child labour or unethical behaviours.
- Posting on Corporate website with statement for anti forced / child labour requirements and also for ethical business practices.

5. Parts of Business and Supply Chains with Forced Labour and/or Child Labour Risks and Steps Taken to Assess and Manage Those Risks

PNR is not aware of any aspects of its supply chain where forced labour or child labour is present.

We have not started the process of identifying parts of our activities and/or supply chains that carry risks of forced labour or child labour being used.

6. Remediation Measures

We have not identified any forced labour or child labour in our activities and supply chains.

7. Remediation of Loss of Income to the Most Vulnerable Families

We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

8. Employee Training on Forced Labour and Child Labour

We currently do not provide training to employees on risks of forced labour and/or child labour.

9. Assessing Effectiveness in Ensuring that Forced Labour and Child Labour are not Being Used in the PNR RailWorks Inc. Business and Supply Chain

We assess the effectiveness of steps taken by PNR to ensure that forced labour and child labour are not being used in PNR's business and its supply chains utilizing a number of different tools including the following:

- Scrutiny of new vendors by finance and procurement teams;
- Reviewing compliant vendor practices;
- Monitoring confidential alert line for vendors to utilize; and
- Overseeing client product submittal and approval process.

10. Approval and Attestation

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 on behalf of the governing body of the entity listed above. Based on my knowledge, and having exercised reasonable diligence, in my capacity as a director of PNR RailWorks Inc. 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 Period listed above.

Date: February 10, 2026

Michele Berg

(signature line)

Michele Berg

Title: Director

I have the authority to bind PNR RailWorks Inc.

This Report was approved by all of the Directors of PNR RailWorks Inc. on February 10, 2026 pursuant to Section 11(4)(a) of the Act.