

ANNUAL REPORT

FINANCIAL REPORTING YEAR 2025

This Annual Report is filed by 407 International Inc. and its subsidiaries pursuant to Section 11(1) of *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the "Legislation").

Corporate Structure

407 International Inc. and/or its subsidiaries (the "Company") has its head and registered office at 6300 Steeles Avenue West, Woodbridge, Ontario L4H 1J1. It was incorporated under the Business Corporations Act (Ontario) ("OBCA") on March 17, 1999 and was continued under the Canada Business Corporations Act ("CBCA") on October 10, 2003. The Company is a majority-owned Canadian company, whose shares are beneficially owned, directed or controlled by the Canada Pension Plan Investment Board, also known as CPP Investments ("CPPIB") and other institutional investors with non-controlling interests (44.20%), Cintra Global S.E. ("Cintra Global") (49.29%), and Public Sector Pension Investment Board (PSP Investments) (7.51%).

407 ETR Concession Company Limited ("407 ETR") is a subsidiary of 407 International Inc. that operates and maintains the Highway 407 ETR. It was established by the Province of Ontario (the "Province") as a Crown agency in 1999 and continued as a share capital corporation under the OBCA and continued under the CBCA on October 10, 2003. 407 ETR is responsible for the operation, maintenance, management and expansion of Highway 407 ETR. Highway 407 ETR is the first all-electronic open-access toll highway in the world, traversing the Greater Toronto Area ("GTA"), the largest urban centre in Canada. Highway 407 ETR runs 108 kilometres from Burlington in the west to Pickering in the east and connects to eight major highways in the GTA: Queen Elizabeth Way (QEW), Highways 403, 401, 410, 427, 400, 404, and Highway 407. The Company's mission is to provide a fast, safe and reliable customer experience on and off the highway.

Canadian Tolling Company International Inc. ("Cantoll") is a subsidiary of 407 International Inc. that was initially incorporated under the OBCA on December 6, 2001 under the numbered company 2007466 Ontario Inc., and was continued under the CBCA on October 10, 2003. Cantoll owns the integrated computerized accounting, billing and customer management system and transponders, and is responsible for the development of Highway 407 ETR's integrated automation systems. Cantoll also provides third-party tolling services to the Province for Highway 407.

The Company, 407 ETR and Cantoll are collectively referred to as the "Company".

As of December 31, 2025, the Company had 488 full-time employees and 55 part-time employees, all located in Canada.

Operations and Supply Chains

Through our understanding of the requirements under the Legislation, the Company assessed its suppliers based on whether goods were distributed by the Company, whether goods produced outside of Canada were imported into Canada, and whether the Company is the importer of record and/or responsible for duties on imports. During the fiscal year 2025, the Company engaged directly for goods and services with third party suppliers to support the operations, establish, collect and enforce payment of tolls, and manage, maintain, repair and toll Highway 407 ETR. To address the requirements of the Legislation, Company has implemented a process to obtain records throughout 2025 from its global shipping provider

where the Company (rather than the supplier) was the importer of record. Based on these records, it was determined that for one procurement Company was the importer.

In addition to the one procurement where the Company was the importer, it was determined that one other procurement would fall under the “distribution of goods” requirement as listed under the Legislation.

Goods procured from the two suppliers can be categorized as following:

- Electronic equipment
- information technology hardware

Policies and Due Diligence

In 2025, the Company continued its efforts to prevent and reduce the risk that forced labour or child labour in the supply chain. These actions included:

- Continued to require signed attestations from all Company suppliers (or confirmation of equivalent policies and procedures), to identify, address and prohibit the use of forced labour and child labour, and to fully comply with the applicable laws and regulations. This was achieved via the Code of Conduct for Suppliers (the “Suppliers Code of Conduct”) that contains elements of human rights due diligence, anti-forced labour and/or child labour standards substantially consistent with the requirements of the Legislation.
- Undertook a supply chain first tier analysis for the qualifying suppliers to determine origin of the goods imported in 2025 by the Company which was the United States of America (USA).
- Continue to make available to all suppliers the anonymous reporting channel that was first introduced in 2023 where 407 ETR Group’ suppliers, their employees, contractors, agents can report suspected misconduct to Company, including any activities that might be inconsistent with the standards of the Code. Information about the anonymous reporting channel for suppliers is provided, with an access link, in the Code and on the company’s website.

Beginning in 2023 and continuing to the present, as part of the Company procurement process, before a supplier is engaged, they are required to: (a) attest to compliance with the requirements of the Suppliers Code of Conduct; or (b) attest they have their own internal policies and procedures that contain standards of conduct substantially equivalent or exceeding that of the Suppliers Code of Conduct; or (c) provide to the Company for review and assessment their own policies and documents that support ethical standards in the supply chain. This ensure that the Company’s procurement and contract management processes are closely monitored to ensure compliance with internal policies across the organization.

The 2 (two) suppliers identified above as within the reporting scope of this Legislation have signed/attested to compliance with the requirements of Company’s Code, including an express commitment to respecting human rights and abolition of child labour.

Remediation Processes

As part of the supply chain analysis, Company completed a first-tier analysis to determine origin of the goods imported by the Company in 2025. Since the goods imported had the USA as the country of origin, the applicable supplier has attested to a supply chain free of forced labour or child labour, we have determined that Company’s activities and supply chains are not likely to carry a risk of forced labour or child labour being used, and the question of remediation is considered not applicable.

Employees Training

Ethical business conduct is a standard expected from all employees of Company. All Company employees take the Employee Code of Conduct ("Employee Code") training at the time of hiring and participate in an annual mandatory training and attestation on the contents of the Employee Code. The Employee Code covers topics such as business integrity, compliance with applicable laws, corporate social responsibility, human rights, vendor's relationships, harassment-free workplace, diversity, and antidiscrimination.

Company has provided training in 2025 in "Modern Slavery Risks in the Supply Chain" to its employees who are directly engaged with sourcing and selecting suppliers. The employees (5) that were trained are all members of the Procurement department, with titles ranging from Sr. Manager, Manager to Senior Procurement Specialist and Procurement Coordinator. The purpose of the training was to ensure that such employees understand how to spot modern slavery risks; to communicate Company expectations for combatting modern slavery; and how employees can raise any concerns. The training was delivered in a PowerPoint presentation format, allowing for group discussions and Q&A throughout the training. Any new hires from the Procurement department, who will be directly engaged with sourcing and selecting suppliers, will be required to take the training "Modern Slavery Risks in the Supply Chain".

Assessing Effectiveness

Company does not have a risk assessment tool to assessing the overall effectiveness of its modern slavery response. In view of the foregoing, the overall risk is considered relatively low occurring within the Company's supply chain because the number of supplies is small (only two suppliers in 2025) and these suppliers are only from developed markets, specifically the USA. No material forced labour or child labour incidents have been identified in 2025.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, in the capacity of the Chair of the Board of Directors of 407 International Inc., I attest that I have reviewed the information contained in the report for the entity or entities 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 purposes of the Act, for the reporting year listed above.

Name: David McFadden
Title: Chair of the Board of Directors
Date: April 8, 2026
By: 

I am authorized to sign on behalf of the Board of Directors of 407 International Inc.