

## TRANSX LTD.

### ***Fighting Against Forced Labour and Child Labour in Supply Chains Act*** **2025 Annual Report**

#### **1. Introduction**

This report constitutes the annual report (“**Report**”) made by TransX Ltd. (“**TransX**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year ended December 31, 2025 (the “**Reporting Period**”). The Report sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods imported into Canada by TransX.

As required by the Act, the Report is published annually to chronicle our ongoing journey to protect human rights and reduce the risk that forced labour or child labour is being used within TransX’s operations and supply chain.

#### **2. Steps to Prevent and Reduce Risks of Forced Labour and Child Labour**

In general terms, TransX took the following steps during the Reporting Period and the first four months of 2026 to identify, prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- Continued to map and understand our supply chains.
- In conjunction with our parent company, Canadian National Railway Company (“**CN**”), we continued to monitor compliance with our updated Code of Business Conduct and Human Rights Policy, which apply to all our employees in Canada and the United States (“**U.S.**”). We continue to expect every third party we do business with, including consultants, agents, suppliers and business partners, as well as their respective employees, directors and officers, to obey the law and adhere to high ethical standards, including respecting human rights.
- Engaged with a third-party provider to continue to assess the specific risks of forced labour and child labour in our top 92 tier 1 suppliers.
- Leveraged an in-house questionnaire developed by CN to survey the tier 1 suppliers identified by the third-party provider as having moderate risk and high risk (previously called moderate high risk). This questionnaire was designed to obtain information directly from the vendors to develop a better understanding of the potential areas of risk identified by the third-party assessment tool. A more precise re-assessment was then made possible based on the additional information gathered.
- Continued to remain committed to empowering employees and supporting our communities in the fight against forced labour and child labour. We believe knowledge is power. Through e-learning, internal communication campaigns and information/posters displayed across our terminal network, we strive to ensure that our employees understand forced labour and child labour, know what to watch for, and know how to report concerns.

#### **3. Structure and Activities**

TransX is a Canadian-based transportation and logistics company incorporated under *The Corporations Act* of Manitoba and headquartered in Manitoba, with operations across Canada. The company also operates in the U.S. through a subsidiary. TransX has nine terminals and facilities in Canada and two in the U.S. TransX is a wholly-owned subsidiary of CN and operates at arm’s length of CN.

As at the date of this Report, within Canada, TransX employed approximately 766 people directly, with a further 672 people contracted through an owner / leaseholder-operator model. In addition, a subsidiary of TransX employed approximately 28 people in the U.S., with a further 30 contracted through an owner / leaseholder-operator model.

TransX offers different types of transportation services across Canada and the U.S. (truckload, less-than-truckload (“LTL”), flat deck, and intermodal), as well as specialized transportation services and logistics management.

### Truckload

TransX’s full slate of truckload services includes everything from one-time pick-up and deliveries to dedicated fleets, and they routinely take on multi-drop and special projects such as surge capacity and flex solutions. Canadian domestic and trans-border freight service includes dry, refrigerated, and heated service. US domestic services include dry, heated, and hazardous material handling.

### LTL

Our LTL service offers a variety of equipment for specific pick-up and delivery needs, including dry, heated and refrigerated tandem vans, and dry, heated and refrigerated containers of various dimensions. LTL services are offered at TransX’s nine terminals in Canada and the US.

### Flat Deck

TransX provides flat deck, step deck, and regional Super B Train services through its flat deck specialized transportation division called DeckX Transport. DeckX provides flat deck and step deck services domestically in Canada and internationally between the United States and Canada. In Western Canada, DeckX Transport offers additional regionalized services for many of North America's largest manufacturers and suppliers. DeckX provides open deck service for the steel, agricultural, oil and gas, construction equipment, construction material, aerospace, and mining industries, as well as many other specialty manufacturing sectors. DeckX service offerings also include project heavy haul, through which DeckX handles individual heavy haul shipments or entire project movements including rail heavy haul component and truck road service.

### Intermodal

For shipments where transit times are flexible, TransX offers cost-effective truckload, LTL, and temperature-controlled intermodal service within Canada, relying on a fleet of over 1000 containers and dedicated chassis pools throughout its network.

TransX also offers overseas intermodal shipping through ports in Eastern and Western Canada.

TransX can also provide order management for shipments requiring stuffing and de-stuffing services for both inbound or outbound overseas shipments.

### Specialized Services

Our specialized services include trans-load service involving stuffing and de-stuffing for marine container movements, polarization and pick and sort services for both dry and temperature sensitive freight, contract shunt and shuttle services for yard management utilizing shunt trucks, day cabs, or highway tractors, as well as deconsolidation services for customer shipments that need to be broken down and delivered to multiple locations.

TransX can also provide multi-vendor pick-ups for both truckload and LTL shipments as well as consolidate the freight and execute delivery for retail, wholesale, or distribution networks.

Additionally, TransX designs and provides customized solutions for customers with multi-modal requirements (LTL and TL road/Intermodal) where shipping needs are complicated by weight restrictions, temperature control sensitivities, and/or and transit time restrictions.

#### Logistics

Through TX Logistics, TransX provides complete third-party logistics solutions from warehousing to comprehensive transportation management, all fully integrated with TransX's full slate of transportation services.

#### **4. Supply Chains**

Our suppliers are located in Canada and the United States, although we appreciate that many of our suppliers supply us with products that originate from other jurisdictions and have their own global supply chains.

TransX procures a range of goods and services from Canada and the U.S. to support its transportation and other activities. In terms of goods, during the Reporting Period, we imported diesel fuel, software and electronic parts from suppliers in the US. We also procured goods from suppliers within Canada across a wide range of categories and industry sectors. The following categories of goods account for our highest procurement spend:

- Diesel fuel
- Industrial storage units
- Tires and tire tubes
- Air conditioning or ventilating or refrigeration equipment manufacture services
- Vehicle bodies and trailers

#### **5. Policies and Due Diligence Processes**

##### ***Code of Conduct***

TransX adheres to the Code of Conduct that governs CN and its subsidiaries. The Code of Conduct establishes the values and expectations that underpin the ethical approach to business of TransX. The Code of Conduct applies to all employees, directors, and officers of TransX.

The Code of Conduct outlines our objective to ensuring everyone working on behalf of TransX adheres to the highest ethical standards. It also outlines the key responsibilities of our leaders to foster a culture that reflects the Code of Conduct's goals and standards. Leaders are also mandated to maintain a workplace where employees feel comfortable voicing their concerns. Each director, executive officer and management employee must certify annually their compliance with the Code of Conduct.

The Code of Conduct addresses matters such as conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, fair dealing, human rights, compliance with laws, and reporting of any illegal or unethical behaviour. Our employees have a duty to report in good faith any real or potential violation of the Code of Conduct. In conjunction with CN, we regularly review the Code of Conduct to ensure it continues to adhere to our core values of integrity and respect. We also ensure it remains consistent with industry standards and trends, including our commitment to the protection of human rights within our operations and supply chains.

While TransX does not have a standalone whistleblower policy, protections for whistleblowers are included in both the Code of Conduct, and in the Violence & Harassment Policy. Working with CN, we continue to

assess the robustness of our whistleblower protections with respect to reducing the risk that forced labour and/or child labour is being used within our operations and supply chains, and as such we are in the process of developing with CN, a stand-alone whistleblowing policy that will include breaches of human rights in our operations or supply chains as a reportable matter under the policy.

### ***Human Rights Policy***

TransX also adheres to the Human Rights Policy that governs CN and its subsidiaries. We recognize the fundamental importance of human dignity and equality. We believe economic growth and social progress go hand-in-hand and, as such, we strive to provide a workplace that reflects these values. We are committed to protecting human rights through our operations and business relationships. This commitment is anchored by our Human Rights Policy, which draws on international standards and best practices, including the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work by the International Labour Organization. We also support the United Nations' Guiding Principles on Business and Human Rights ("**UNGPs**").

In addition to the principles outlined above, which apply to all TransX employees, our Human Rights Policy specifically prohibits the use of all forms of forced labour, including prison labour, indentured labour, bonded labour, military labour, modern forms of slavery, and any form of human trafficking. Employment of individuals below the minimum age permitted by local law is also strictly prohibited.

The Human Rights Policy applies to all our employees in Canada and in the U.S. It states that we expect every third party we do business with, including consultants, agents, suppliers and business partners, to obey the law and adhere to high ethical standards, including respecting human rights.

### ***Due Diligence Processes***

Although TransX does not currently screen potential suppliers on the basis of forced labour or child labour-related risks, we are committed to respecting human rights in all aspects of our operations and business activities and are considering how such processes may be incorporated into our procurement processes. TransX is continuing to review its supplier due diligence and onboarding procedures and will continue to work to improve them over time as required.

Again in 2025, we used the services of a third-party risk assessment platform engaged by CN to continue assessing the specific risks of forced labour and child labour in its supply chains, including those of TransX. This platform provides a risk score for suppliers using weighted inputs of individual risk components based on country of operations, industry, products and adverse media reports.

We have deployed an in-house questionnaire to survey the tier 1 Suppliers identified by the third-party provider as having moderate and high (previously called moderate high) risk. We designed this questionnaire to obtain information directly from the vendors to develop a better understanding of the potential areas of risk identified by the third-party assessment tool.

## **6. Assessing and Managing risks of Forced Labour and Child Labour in our Business and Supply Chains**

### ***Operations***

Due to the nature of our business, we consider the risks of forced labour and child labour in our direct operations to be low. Our entire workforce is within Canada and the U.S., with the vast majority in Canada. All drivers require a particular class of license requiring them to be at least 18 years of age. They are subject to regulated safety and driving standards, as well as to applicable labour laws. Our other employees have

salaried positions in either office settings or in our maintenance groups and are considered highly skilled workers.

### ***Supply Chains***

As TransX sources all of its equipment and other goods from vendors headquartered in Canada and the United States, we generally consider the risk of modern slavery in the first tier of our supply chain to be low.

In 2025, CN utilised a third-party platform to conduct an initial analysis of the top 92 suppliers of TransX, representing approximately 50% of the total spend on goods and services by TransX during the Reporting Period. The results of the assessment classified approximately 1% of suppliers as high risk (previously called moderate high risk), 16% of suppliers as moderate risk and 83% of suppliers as low risk. No suppliers were identified as elevated risk. The 17% of suppliers identified by the study as being high (previously called moderate high risk) and moderate risk provide TransX with, among other items, tires and tire tubes, refrigeration equipment, industrial equipment and machinery, motor vehicles, petroleum products, line haul and automotive parts and accessories.

During the Reporting Period, we deployed an in-house questionnaire to survey the tier 1 suppliers identified by the third-party provider as having moderate risk and high risk (previously called moderate high risk) in the previous Reporting Period. The results of the assessment demonstrated that 100% of these suppliers have a framework to manage forced labour and child labour. Approximately 70% of these suppliers publish a forced labour and child labour report in accordance with their respective local legislative regime.

## **7. Remediation Measures**

As TransX has not identified any forced labour or child labour in its business or supply chain, it has not had to take any measures to remediate any forced labour or child labour or to remediate any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

## **8. Training**

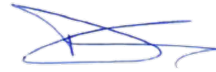
As a subsidiary of CN, TransX deploys an online training course on the Code of Conduct as part of every new employee's onboarding program. Management employees are required to undergo training on the Code of Conduct every two years, with certification of compliance required annually from each director, executive officer and management employee. In 2024, we provided training on the issues of forced labour and child labour to all our management employees through enhanced training on the Code of Conduct and Human Rights Policy. Refresher training will be rolled out in 2026.

## **9. Assessing Our Effectiveness**

As described in this Report, TransX has introduced and implemented several measures to prevent and reduce these risks. However, to date, we have not assessed the effectiveness of these measures.

**10. Approval and Attestation**

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the board of directors of TransX Ltd.



Per:

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Name: Derek Lachaine

Title: Director and President, TransX Ltd.

Date: May 4th, 2026