**KTI LIMITED**

**ANNUAL REPORT UNDER THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT**

For the Financial Year Ended December 31, 2023

This report is made by KTI Limited ("KTI" or the "Company") pursuant to section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the "Act"), for the financial year ended December 31, 2023. It describes the steps the Company took during that financial year 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 Company, or of goods imported into Canada by the Company.

## (A) STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

1. **Structure:** KTI Limited is an Ontario business corporation incorporated on 3 August 1976, with its registered office located at 33 Isaacson Crescent, Aurora, Ontario L4G 0A4. KTI's Ontario Business Registry status is active. KTI's business number (BN) is 102889961, and its Ontario Business Registry ID is 340450. KTI has no immediate or ultimate parent company and employs approximately 85 employees. KTI's affiliate, KTI Utility Services Inc., is solely engaged in sales and distribution and is not included as a joint reporting entity.

2. **Operations and Activities:** KTI distributes natural gas, electricity and water products for Canadian utilities and pipelines. KTI imports gas, water and electric meters, communication devices, valves, fittings and related infrastructure components.

3. **Supply Chains:** KTI's supply chain includes direct and indirect purchases of goods sourced primarily from the United States, Mexico, India, Italy and Germany

## (B) POLICIES AND DUE DILIGENCE PROCESSES

4. **Policies:** KTI maintains a Sustainable Procurement Policy and other internal policies relating to ethical conduct and compliance with applicable laws. These policies address social responsibilities within KTI's supply chain, including support for fair labour practices, human rights and ethical sourcing. These policies provide for the assessment and engagement of vendors regarding their environmental, social and ethical standards and expects vendors to follow sustainability principles aligned with KTI's. It also requires compliance with applicable local, national and international laws and regulations relating to procurement, labour rights and ethical sourcing.

5. **Due Diligence:** KTI primarily works with established manufacturers and suppliers and maintains ongoing commercial and operational relationships with its key suppliers. KTI considers factors such as supplier reputation, established industry experience, product quality and suitability, and compliance with applicable legal and contractual requirements when establishing and maintaining supplier relationships. KTI also considers available supplier information relating to human rights, sustainability and ethical sourcing. These practices assist KTI in identifying potential concerns within its supply chain.

## (C) PARTS OF BUSINESS AND SUPPLY CHAINS THAT CARRY A RISK OF FORCED LABOUR OR CHILD LABOUR, AND STEPS TAKEN TO ASSESS AND MANAGE THAT RISK

6. **Parts of Business and Supply Chains Carrying Risk:** During the reporting year, KTI did not identify any parts of its business or supply chains carrying a risk of forced labour or child labour being used.

7. **Risk Management Steps:** During the financial year ended December 31, 2023, KTI took the following steps to assess and manage risks of forced labour and child labour in its business and supply chains:

(a) KTI managed supply-chain risks through its established supplier relationships and normal procurement practices. KTI also considers available supplier compliance and sustainability information where appropriate.

## (D) MEASURES TAKEN TO REMEDIATE FORCED LABOUR OR CHILD LABOUR

8. **Measures Taken to Remediate Forced Labour or Child Labour:** During the financial year ended December 31, 2023, KTI did not identify any instances of forced labour or child labour in its activities or supply chains. Accordingly, no remediation measures were required.

## (E) MEASURES TAKE TO REMEDIATE RESULTING LOSS OF INCOME TO THE MOST VULNERABLE FAMILIES

9. **Measures Taken to Remediate Loss of Income to the Most Vulnerable Families:** During the financial year ended December 31, 2023, KTI did not identify any instances that resulted in a loss of income to vulnerable families. Accordingly, no remediation measures were required.

## (F) TRAINING PROVIDED TO EMPLOYEES ON FORCED LABOUR AND CHILD LABOUR

10. **Training Program & Scope:** KTI communicates its expectations regarding forced labour and child labour to employees through its codes of conduct and other policies that KTI uses to communicate its expectations to staff that at all times they must act with integrity and comply with the law.

## (G) HOW KTI ASSESSES ITS EFFECTIVENESS IN ENSURING THAT FORCED LABOUR AND CHILD LABOUR ARE NOT BEING USED IN ITS BUSINESS AND SUPPLY CHAINS

11. **Effectiveness Monitoring:** KTI contracts with established suppliers that are aware of their compliance and reporting obligations under the Act and other applicable Canadian legislation. KTI expects these suppliers to conduct their own supply chain due diligence.

## APPROVAL AND ATTESTATION

In accordance with section 11(4)(a) of the Act, this report was approved by the Board of Directors of KTI Limited on October 28, 2026.

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of Board Member, attest that I have reviewed the information contained in the report on behalf of the governing body of KTI Limited. 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 within this report.

**MICHAEL DEAN IWAI**
Director
Date: October 28, 2026

Signature: Signed by: Michael Dean Iwai B1E15AF792854FE...
I have the authority to bind KTI Limited.