

**DAIKEN North America Ltd's**  
**Fighting Against Forced Labour and Child Labour**  
**in Supply Chains Act Report for 2025 Financial Year**

**ABOUT THIS REPORT**

DAIKEN North America Ltd has prepared this report (the "**Report**") pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year that ended March 31, 2026. All references in this Report to "**Daiken**", "**we**", "**us**", or "**our**" refer to Daiken North America Ltd unless otherwise indicated. This Report constitutes the first report prepared by Daiken pursuant to the Act. This Report has not been externally assured.

This Report describes the steps taken to enhance transparency in our supply chains by outlining the steps taken during the 2024 financial year to prevent and reduce the risk that forced labour or child labour ("**Modern Slavery**") is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

Daiken also reports under California's Transparency in Supply Chain Act.

**INTRODUCTION**

As a member of the ITOCHU Group, we are guided by our corporate mission, Sampo-yoshi (Japanese for "good for all three sides": good for the seller, good for the buyer, and good for society). In accordance with Sampo-yoshi, we are committed to serving all stakeholders - including respecting human rights and adhering to all laws and regulations governing human rights (including prohibitions on the use of Modern Slavery). We support international agreements on human rights, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at work, and the United Nations Global Compact, which ITOCHU Corporation has been a signatory to since 2009. We aim to comply with all laws and regulations of the countries in which we perform our business activities, and if there are any contradictions between internationally recognized human rights and the laws and ordinances of a country or region, we will pursue a method to maximize respect for international human rights principles.

**STRUCTURE, ACTIVITIES AND SUPPLY CHAINS**

***Company Structure***

Daiken is a privately held company headquartered in Huntsville, Ontario, Canada. Daiken operates under business number 893780742, and is in the manufacturing industry, in particular wood product manufacturing. Daiken is owned 51% by DAIKEN Corporation and 49% by ITOCHU Building Products Holdings Inc. DAIKEN Corporation is also 100% owned by ITOCHU Corporation and part of the ITOCHU Group family. ITOCHU Corporation ("**ITOCHU**") is a publicly traded company headquartered in Tokyo, Japan. ITOCHU is listed on the Tokyo Stock Exchange (Ticker Symbol: TYO 8001) and specializes in trading of various products, including textiles, machinery, chemicals, food, IT, and realty.

Daiken employs approximately 137 people, all of which work at Daiken's facility in Huntsville, Ontario.

### ***Activities and Operations***

Daiken has manufacturing operations located in Huntsville, Ontario, Canada. Daiken is in the wood product manufacturing business, and produce wood products (such as thermally fused laminates (TFL)) domestically at its Huntsville facility. The TFL is available in a wide range of colors, patterns and textures, and that this includes realistic wood grains which allows for creative design.

### ***Our Supply Chains***

Daiken purchases goods from within Canada and outside of Canada. Purchased goods are related to daily business activities within Daiken's Huntsville manufacturing location and offices. Daiken purchases and sources its main raw materials to manufacture its particleboard from within Canada and the United States of America (USA). As for main raw materials for its TFL manufacturing activities, those raw materials are sourced from Canada, the USA, France, Spain, Germany, and Italy. Due to the countries and suppliers Daiken sources its material from, Daiken considers the risk of forced labour and child labour to be low. In addition, Daiken sends its suppliers an annual survey whereby each supplier will need to assess, review and manage any risks associated with child labour and forced labour.

### **POLICIES AND DUE DILIGENCE**

It is our goal to provide a positive work environment and a solid economic foundation upon which all employees may build a future. This is solidified in the policies applicable to Daiken including ITOCHU's Code of Conduct and ITOCHU's Human Rights Policy, set out in further details below.

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

As a member of the ITOCHU Group, we embrace and support the ITOCHU Group's mission and goals, such as embracing a wide range of social responsibilities including legal compliance and implementing corporate ethics through our practices and policies. Daiken's Code of Conduct (the "**Code**") solidifies this commitment. We expect all employees, including management, to execute business with a thorough comprehension of our Code and underlying corporate mission. Further, all employees and officers are expected to read, understand and abide by the Code, as well as Daiken's other policies and applicable laws and regulations.

Our Code solidifies our commitment to respecting human rights and all laws and regulations governing human rights (including prohibitions on the use of Modern Slavery). We aim to promote full and productive employment, in accordance with the ITOCHU Group's Human Rights Policy, as described in more detail below. Where appropriate, we also ask our business partners to abide by this Policy and cooperate with us to conduct human rights due diligence.

At Daiken, safe and respectful workplaces are a priority. As such, we seek to maintain diverse workplaces that are discrimination and harassment-free, and provide a safe working environment that protecting the health and safety of our employees.

#### ***ITOCHU Group Human Rights Policy***

The ITOCHU Group Human Rights Policy (the "**Human Rights Policy**") is applicable to Daiken as it is imposed upon and adopted by ITOCHU's subsidiaries in various regions around the world, including Daiken.

Under the Human Rights Policy we support international agreements on human rights, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact, which ITOCHU has been a signatory to since 2009. We comply with all laws and regulations of the countries in which we perform our business activities, and if there are any contradictions between internationally recognized human rights and the laws and ordinances of a country or region, we will seek to maximize respect for international human rights principles.

### ***Due Diligence***

Daiken has embedded responsible business conduct into its policies and management systems, including but not limited to mapping activities, internal assessment of its practices and other processes, auditing of its activities, and developing and implementing policies and processes. These embedded activities allow Daiken to track implementation, impacts, and results, mitigate/prevent adverse impacts, and remediate when appropriate. As noted, Daiken's Code of Conduct states that we prohibit the use of forced labor, respect human rights and all laws and regulations governing human rights and promote full and productive employment and decent work for all in accordance with ITOCHU Group Human Rights Policy.

Daiken has further adopted a comprehensive procedural training and operating program that is available to all employees on the company intranet. The operating manuals help Daiken to track, identify, and assess risks and adverse impacts in operations, supply chains and business relationships. Within the compliance and reporting system, there are detailed procedures for reporting, investigating, and following up on any possible issues or concerns.

### ***Compliance Hotline***

Any action that may conflict with our Code or other internal policies will promptly be reported to the Chief Compliance Officer, the Legal & Compliance Division, or other available resources through Daiken's Compliance Hotline (the "**Hotline**"). The Hotline can be accessed online or by phone 24 hours a day, seven days a week.

Daiken will not engage in or permit retaliation of any kind against any person who seeks legal or ethical advice, reports known or suspected misconduct in good faith or cooperates in an investigation. Daiken will investigate all claims of retaliation and take appropriate corrective action.

## **POTENTIAL RISKS IN OUR OPERATIONS AND SUPPLY CHAINS**

Daiken considers the risk of Modern Slavery occurring within our operations and supply chains to be low. As noted below, Daiken focused its operations and supply chain primarily within North American, which carries a lower risk.

### ***Potential Risks in Our Operations***

Daiken considers the risk of Modern Slavery occurring within our operations to be low. Not only does our workforce exist only within Canada, which has comprehensive and strict labour, employment, and human rights laws, but also as a member of the ITOCHU Group we have a number of strong policies in place regarding labour standards for our employees.

### ***Potential Risks in Our Supply Chains***

We recognize that there is a risk of Modern Slavery occurring within our supply chains. We understand that geographic considerations, the nature of some of the raw material and particular industries can carry a higher risk of Modern Slavery. There are also risks linked to certain industries even in countries considered to have lower risks of Modern Slavery. However, we have focused our operations and supply chain activities, as noted above, to countries that carry lower risks in Modern Slavery.

Under the Human Rights Policy, if any of our business activities induce a negative impact on human rights or if involvement of such becomes clear, we strive to remedy and rectify the situation through appropriate procedures and dialogue. However, through our assessment of our operations and supply chains regarding the risk of Modern Slavery being used, we did not identify any instances of Modern Slavery. Accordingly, no steps were required to remediate Modern Slavery, or the loss of income associated with remediation efforts.

### **REMEDATION MEASURES AND REMEDIATION OF LOSS OF INCOME**

We strive to manage, mitigate, and remediate the risk of Modern Slavery being used in our supply chain. As noted previously, our assessment of our operations and supply chains did not identify any instances of Modern Slavery, and therefore, no steps were required to remediate Modern Slavery, or the loss of income associated with remediation efforts.

### ***Management, Mitigation, and Remediation of Potential Risks***

Our Code of Conduct, Compliance Hotline, and due diligence measures offer a reporting mechanism for our employees and suppliers to report ethical or legal violations, among other concerns. In accordance with our principles and policies, if a situation of non-compliance is identified, Daiken will work to develop and implement a corrective plan to improve and remedy the situation. Moreover, the highly regulated environments that Daiken and its suppliers operate within all prohibit forced and child labor, and as a result there are no perceived risks. By complying with employment and other regulations, the company has judged that vulnerable families have not experienced a loss of income.

### **TRAINING**

Daiken employees receive regular training on various ethical topics and internal policies. A benefit to being part of the ITOCHU family, our employees receive training from ITOCHU on the Human Rights Policy in order to raise human rights awareness and incorporate and implement the Human Rights Policy in our business activities. Presidents, directors, auditors and employees are expected to submit written confirmations declaring that they have reviewed and shall "observe laws and internal rules" annually.


### **ASSESSING EFFECTIVENESS**

Throughout the year, Daiken conducts a regular review or audit of its policies and procedures related to forced labour and child labour. For ongoing efforts, we intend continue to reevaluate the need to implement measure to assess the effectiveness of the processes we have in place based on the evaluation of our risks as described in this Report.

## APPROVAL & ATTESTATION

This Report was approved pursuant to section 11(4){a) by the Board of Directors of Daiken North America Ltd., on March 11, 2026.

In accordance with the requirements of the Act, and in particular Section 11 thereof, I attest that I, in the capacity of President & CEO, 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, 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.

Signed by:  
  
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I have the authority to sign  
Tiger Yoshiura  
President & CEO  
Daiken North America Ltd.