

ANNUAL ESG REPORT

-2025-



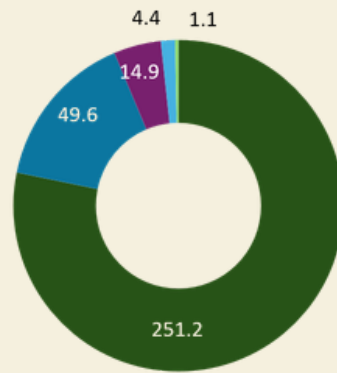
**INSPIRED
ENVIRONMENTAL
SOLUTIONS**



ENVIRONMENTAL SUSTAINABILITY



**321
Million Kg**
Materials Diverted,
& Recycled



■ Industrial Waste Residuals
■ Contaminated Soil
■ Dredging and Dewatering
■ Hazardous waste and paint
■ Scrap Steel

**11.5
Billion L**
Water Treated
& Reintroduced

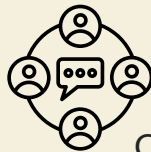
SOCIAL RESPONSIBILITY



70th percentile
Industry Benchmark
Ranking - Improved
from 53rd

34%

Engaged Employees
Improved from 21%



25%

Contributors
Improved from 16%

9%

Threats
Reduced from 35%



120

Managers
Trained



40%

Female
Leadership



\$9.0M
in Indigenous
Procurement

46,800

in Indigenous
Labour Hours



38,840

Hours of
Indigenous Training

6.5%

Indigenous
Employees



\$48.2k
Charitable
Giving

101k

Recognition
Points
Distributed



CORPORATE GOVERNANCE



Total Vehicle Incident
Rate (TVIR)

1.22

Total Recordable Injury
Rate (TRIR)

1.53



6.90
Near Miss
Frequency Rate

5,955 hours
of HSE
Training



53,593

Proactive
Efforts

ZERO

Data leaks,
Losses, or
Breaches



0

Reportable Spills or
Releases and Lost
Time Incidents

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Executive Summary



In 2025, KBL Group of Companies continued to deliver practical, responsible, and community-centered environmental solutions across Canada. With operations spanning western Canada, northern and remote regions, and complex industrial, municipal, mining, and government sites, KBL strengthened its role as a trusted provider of waste management, environmental remediation, water treatment, dredging and dewatering, resource recovery, and environmental compliance services.

This year's ESG report reflects continued progress across environmental sustainability, social responsibility, and corporate governance. Environmentally, KBL advanced its circular economy work by identifying beneficial reuse and recovery pathways for industrial residuals, recyclable materials, contaminated soil, water, sediments, and other complex waste streams. In 2025, KBL diverted approximately 321 million kilograms of waste from landfill and treated approximately 11.51 billion litres of water through facility and project-based operations. KBL also strengthened greenhouse gas tracking, building on its 2024 baseline, and joined Canada's 2030 Challenge to support practical, measurable climate action.

KBL's circular economy achievements in 2025 included significant beneficial reuse and recovery initiatives, such as the movement of more than 110,000 tonnes of Waste Bottom Ash, continued metals recovery through the Enterprise Metals Transfer Facility, sulphur management, and ongoing paint recycling and soil treatment programs. These efforts demonstrate KBL's commitment to treating waste as a potential resource and helping clients reduce environmental liabilities while creating measurable value.

Socially, KBL continued investing in its people, partnerships, and communities. The company completed its second Employee Engagement Survey in 2025, improving its industry benchmark ranking from the 53rd percentile to the 70th percentile and increasing engaged employees from 21% to 34%. KBL also launched and expanded people-focused initiatives, including the Rising with RRAD Feedback & Development Program, Kudos recognition platform, manager training, regional social committees, and enhanced communication tools. Indigenous inclusion remained central to KBL's work, with continued focus on Indigenous employment, training, procurement, and joint venture delivery, including ongoing work through True North Environmental at Giant Mine.

In governance, KBL strengthened the systems that support responsible growth, safety, compliance, quality, cybersecurity, and ESG reporting. KBL improved key safety indicators year over year, including a reduction in Total Recordable Injury Rate from 2.04 in 2024 to 1.53 in 2025 and a reduction in Near Miss Frequency Rate from 9.46 to 6.90, while maintaining a Lost Time Incident Rate of zero. The company also continued expanding digital platforms to support training, competency tracking, contractor management, incident reporting, and operational oversight.

A major milestone in 2025 was KBL's recognition as one of Canada's Best Managed Companies. This designation reflects the strength of KBL's strategy, culture, innovation, governance, financial performance, and commitment to sustainable growth. It also reinforced KBL's focus on continuous improvement, including formalizing a three-year strategic plan, strengthening divisional accountability, and working toward ISO 9001 certification in 2026.

Guided by our values — Diligent, Responsible, Accountable, and Resourceful — KBL remains committed to building a stronger, safer, and more sustainable environmental services company. As we look ahead, we will continue to reduce environmental risk, advance circular economy solutions, invest in people and partnerships, strengthen governance systems, and deliver practical environmental outcomes for clients, communities, and the environment.

About this Report

This 2025 Environmental, Social, and Governance (ESG) Report provides a comprehensive overview of KBL Environmental Ltd.'s performance, initiatives, and commitments across our Canadian operations. It reflects our dedication to transparency, continuous improvement, and long-term sustainability in the communities where we live and work.

The reporting period covers January 1 to December 31, 2025, and includes data from both wholly owned operations and Indigenous joint ventures, unless otherwise noted. This report was developed collaboratively across departments, drawing from internal systems such as our Facility Compliance Management System, SiteDocs, WorkHub, and project-level data.

In 2025, KBL also conducted an internal materiality review to identify ESG topics most relevant to our stakeholders. This included engagement with employees, clients, Indigenous partners, and leadership. Key material priorities include: climate resilience, circular economy, Indigenous inclusion, regulatory compliance, and workforce development. These topics informed both the structure of this report and the strategic priorities we pursue moving forward.

Compared with 2024, KBL's 2025 environmental reporting provides a more detailed view of both material diversion and water stewardship. In 2024, KBL reported 432 million kilograms of waste diverted from landfill and more than 14 million litres of contaminated water treated. In 2025, KBL diverted, reused, recycled or recovered approximately 321 million kilograms of materials, excluding water, and treated approximately 11.51 billion litres of water. The significant increase in reported water treatment reflects expanded project-based water treatment activity and improved tracking of water managed and reintroduced to the environment. To support clearer year-over-year reporting, KBL presents material diversion and water treatment as separate indicators in 2025.

KBL is a privately held company and has chosen to voluntarily disclose this ESG information to our stakeholders. While the data is reviewed by executive leadership, it has not been externally audited. We are actively evaluating options for third-party assurance in future reporting cycles.

Every effort has been made to ensure the accuracy and completeness of the information presented. However, this report is intended for general informational purposes only and does not constitute legal, financial, or investment advice. It may include forward-looking statements that are subject to uncertainties and assumptions. Actual results may differ from those anticipated.

The data and metrics provided are based on internal methodologies and may not align with externally verified frameworks. KBL does not accept liability for any loss arising from the use or reliance on the information contained within this report. We welcome feedback from clients, partners, and communities as we continue to strengthen our impact, performance, and reporting practices.

CEO Message



At KBL, sustainability is not a separate function — it is the foundation of how we operate, how we grow, and how we create long-term value. Our work is rooted in the belief that doing what is right for the environment, our people, our partners, and our communities is also what builds a stronger and more resilient business.

In 2025, KBL continued to mature as an organization. We strengthened our systems, expanded our capabilities, invested in our people, and advanced our long-term strategy while continuing to deliver complex environmental solutions across Canada. Our teams supported clients through waste management, remediation, water treatment, dredging and dewatering, resource recovery, circular economy initiatives, and environmental compliance — often in some of the country's most remote and technically challenging settings.



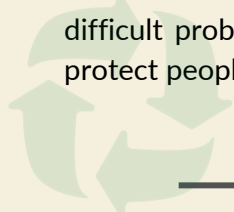
Jeff Dirks
Chief Executive Officer

This year was also marked by important external recognition. KBL was named one of Canada's Best Managed Companies, a milestone that reflects the strength of our strategy, capability, innovation, culture, financial performance, and sustainable growth. The designation validated the work our teams have done to build a company rooted in operational excellence, Indigenous partnership, environmental stewardship, and responsible growth. It also reinforced the importance of continuous improvement as we look ahead to the next stage of KBL's evolution.

Climate action also became more measurable in 2025. Building on the baseline work completed in 2024, KBL actively tracked greenhouse gas emissions and joined Canada's 2030 Challenge. This work positions us to better understand our footprint, set practical reduction targets, and invest in fleet efficiency, lower-carbon logistics, facility-level energy performance, and circular economy solutions that reduce unnecessary hauling and disposal.

As we grow, governance remains essential. Transparency, accountability, ethics, and trust are what allow us to expand responsibly. In 2025, we formalized our three-year strategic plan, strengthened cross-functional alignment, and continued improving the systems that support compliance, cybersecurity, quality, safety, and ESG reporting. The Best Managed process itself helped sharpen our focus and reinforced our commitment to disciplined, future-facing growth.

I want to thank our employees, Indigenous partners, clients, and community partners for their continued trust and commitment. KBL's progress is the result of people who care deeply about doing good work, solving difficult problems, and building something that lasts. Together, we are creating environmental solutions that protect people and the planet while generating shared value for the communities and industries we serve.



COO Message



Mike Erickson
Chief Operating Officer

At KBL, safety and people continue to go hand in hand. Our ability to deliver complex environmental work across Canada depends on the skill, care, and commitment of our teams. In 2025, we continued to strengthen the systems, training, and culture that support our people in doing their work safely, consistently, and with pride.

This year, we saw meaningful progress in our safety performance. Although we did not meet every target, both our Total Recordable Injury Rate and Motor Vehicle Incident Rate improved year over year, and we maintained a Lost Time Incident Rate of zero. Just as importantly, we saw a reduction in the severity of incidents, showing that our corrective actions, field-level coaching, and proactive reporting efforts are making a difference.

We also continued to invest in the tools that help our teams identify risk earlier and act faster. In 2025, we fully implemented SiteDocs and WorkHub across the business, giving our teams stronger systems for incident reporting, safety procedures, analytics, training, certification tracking, safety alerts, and bulletins. We also rolled out a contractor management program, delivered safety leadership training, developed SiteDocs dashboards to better target problem areas, revamped our Joint Health and Safety Committees, and implemented Axiom to support faster assessment of non-life-threatening medical incidents.

Our proactive safety efforts also grew. Teams completed an average of 7.78 hazard identification forms per employee per month, completed 160 leadership tour inspection forms, and held 936 daily tailgate meetings. These leading indicators matter because they show that safety is not only managed after an incident – it is practiced every day in the field, in the shop, and across our project teams.

People and culture were also a major focus in 2025. We expanded employee development through manager training, the rollout of RRAD Feedback & Development, the launch of the Kudos recognition program, regional social committees, and the relaunch of the People & Culture SharePoint page. We also continued to improve HR systems, including expanded use of Avanti and the streamlining of onboarding into WorkHub. These initiatives support clearer expectations, stronger communication, better recognition, and more consistent development across all regions.

Looking ahead, our priorities remain clear. We will keep improving safety performance, building leadership capacity, strengthening field execution, and investing in systems that help our people succeed. I am proud of the progress we made in 2025, and even more proud of the teams who made it possible.

About KBL

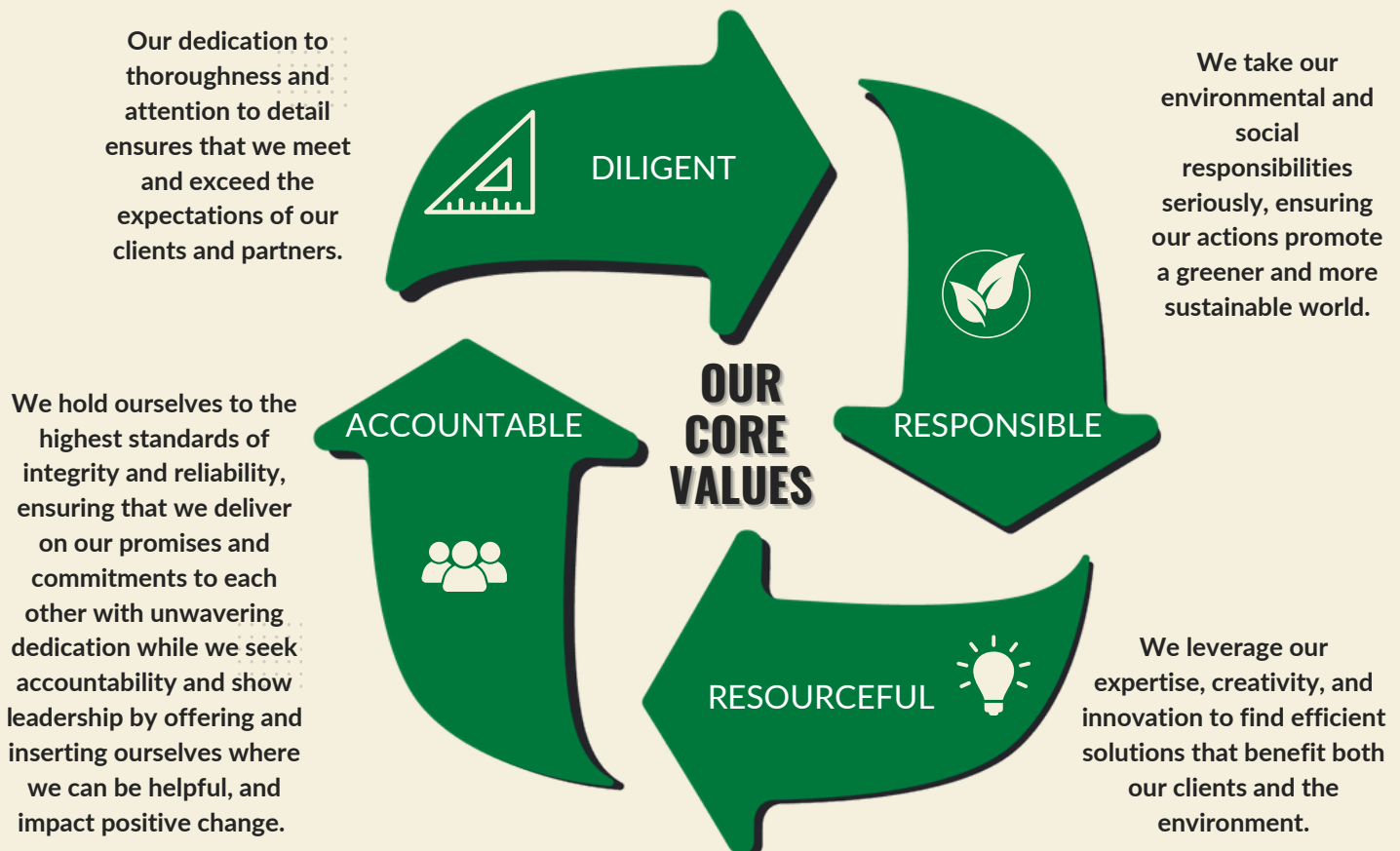
KBL Group of Companies is a privately owned Canadian environmental services business providing waste management, environmental remediation, technical services, and liability management support to industrial, government, mining, energy, Indigenous, municipal, and commercial clients across Canada's western provinces and northern territories. Founded in 2006, KBL has grown from a Northwest Territories-based hazardous waste transfer facility into a diversified and vertically integrated environmental services platform.

KBL's work is rooted in practical experience, regulatory compliance, technical expertise, and a deep understanding of the unique challenges of remote and northern environments. Our teams support clients through complex environmental projects, including hazardous and non-hazardous waste management, contaminated site remediation, water treatment, dredging and dewatering, demolition and decommissioning, soil treatment, recycling, recovery, and circular economy solutions.

In 2025, KBL was recognized as one of Canada's Best Managed Companies, reflecting excellence in strategy, capability, innovation, culture, financial performance, and sustainable growth. This recognition validates KBL's operational excellence, commitment to people, Indigenous partnerships, and readiness to scale as a leading environmental services provider.

Our Vision - We are passionate about safely providing innovative solutions that support ESG standards, creating a better future for all.

Our Mission - We specialize in finding unique and responsible ways of managing waste and environmental liability safely, setting new standards in environmental stewardship.



DIFFERENTIATORS

WE WORK SAFELY



WE ARE CREATIVE



WE TARGET WASTE



WE PROMOTE CIRCULAR ECONOMIES



PROVEN PROCESS



Our work is distinct because of our commitment to delivering practical, place-based environmental solutions through strong Indigenous partnerships, specialized technical expertise, data-informed compliance systems, and a culture of safety and continuous improvement. We target complex waste streams, high-risk sites, and underserved regions, while helping clients reduce liability, recover value, and advance circular economy outcomes.

Remediation Services

KBL's Environmental Remediation Services group delivers remediation, reclamation, demolition, decommissioning, abatement, landfill services, environmental construction, and on-site environmental management for industrial, mining, energy, government, and municipal clients. With deep field experience and proven execution capability, the team provides turnkey solutions for complex environmental liabilities and high-risk projects across Western Canada and the North.



Waste Services

KBL's Waste Services division provides waste treatment, processing, recycling, storage, transportation, and logistics solutions across Northern and Western Canada. Through hazardous waste transfer facilities, soil and water treatment facilities, metals recovery, paint recycling, and bulk transportation assets, KBL delivers safe, compliant, and sustainable options for a wide range of industrial and regulated waste streams.



Technical Services

KBL's Technical Services group provides specialized support in environmental and waste consulting, water services, dredging and dewatering, sulphur services, utilities, trenchless services, compliance support, and research and development. The team supports both client-facing projects and internal KBL operations by advancing treatment technologies, improving facility compliance, supporting permitting and ESG planning, and developing practical solutions for complex waste and water challenges.



Sustainability Goals

KBL's 2025 ESG Report is guided by leading environmental, social, and governance reporting practices, aligning with the United Nations Sustainable Development Goals (UN SDGs) and the Global Reporting Initiative (GRI) Standards for sustainability reporting. Our focus is to provide transparent, measurable, and meaningful data for our stakeholders and clients.

Our ESG reporting aligns with five SDGs where KBL's operations directly contribute:



- SDG 8: Decent Work and Economic Growth – by providing meaningful employment and skills development across rural, remote, and northern communities.



- SDG 12: Responsible Consumption and Production – through our diversion of waste from landfills, soil and water reuse, and hazardous materials recycling programs.



- SDG 13: Climate Action – by investing in technologies that reduce emissions, promote circularity, and responsibly manage waste.

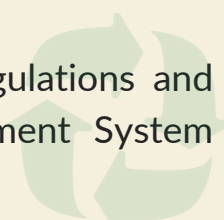


- SDG 14: Life Below Water – by ensuring our water treatment operations meet regulatory limits before discharge and participating in ocean cleanup efforts.



- SDG 15: Life on Land – through site remediation, habitat restoration, and contaminated land cleanup projects.

We also comply with all relevant territorial, provincial, and federal regulations and reporting frameworks, and our internal Facility Compliance Management System ensures that each site meets or exceeds regulatory expectations.





Environmental Sustainability



At KBL, environmental sustainability is embedded in how we plan, operate, and deliver work across every region we serve. From managing hazardous and non-hazardous waste to treating contaminated soil and water, recovering resources, supporting remediation, and reducing landfill reliance, our environmental approach is practical, measurable, and rooted in responsible execution.

In 2025, KBL continued to strengthen the systems that support environmental performance across our operations. Building on the baseline work completed in 2024, we improved tracking for waste diversion, energy use, emissions, water treatment, soil treatment, and circular economy initiatives. These data systems help us better understand our impacts, identify opportunities for improvement, and communicate progress with greater consistency and transparency. KBL's ESG reporting continues to align with key UN Sustainable Development Goals, including responsible consumption and production, climate action, life below water, and life on land.

Central to our environmental strategy is the promotion of a circular economy, where waste is treated not as an endpoint but as a potential resource. Through soil treatment facilities, hazardous waste transfer facilities, paint recycling, metals recovery, beneficial reuse programs, and industrial residuals management, KBL helps clients reduce environmental liabilities while creating practical pathways for reuse, recycling, treatment, and recovery. KBL's technical and waste services teams support clients through circular economy solutions, permitting guidance, compliance monitoring, waste reduction strategies, and innovative treatment technologies.

Water stewardship also remained a key focus in 2025. Across our project work, KBL continued to support contaminated water treatment, dredging, dewatering, sediment management, and compliant discharge activities. These services help protect receiving environments, support regulatory compliance, and reduce environmental risk on complex industrial, municipal, and remediation sites.

KBL also advanced its climate strategy in 2025 by actively tracking greenhouse gas emissions and joining Canada's 2030 Challenge. This work builds on the baseline emissions tracking established in 2024 and supports future reduction planning through fleet efficiency, idle reduction, facility-level energy tracking, lower-carbon logistics, and circular economy projects that reduce unnecessary hauling and disposal.

Sustainability at KBL is not a standalone initiative — it is part of how we deliver environmental solutions.

KBL ENVIRONMENTAL PILLARS



WASTE DIVERSION

Diverting waste from landfill through reuse, recycling, and beneficial recovery programs.



CIRCULAR ECONOMY

Recovering resources and extending their life through innovative treatment and reuse solutions.



WATER STEWARDSHIP

Protecting water resources through responsible treatment, management, and returning clean water to the environment.



CLIMATE ACTION

Reducing greenhouse gas emissions and advancing low-carbon solutions for a more sustainable future.



Waste Diversion

Hazardous Waste and Recyclable Metals

At KBL, waste diversion is central to our environmental mandate and is integrated across every service we deliver. Our work focuses on reclaiming, recycling, treating, stabilizing, and beneficially reusing materials that would otherwise be destined for final disposal. These efforts help conserve natural resources, reduce pressure on landfill capacity, lower the environmental impact of waste transportation, and support the transition to a circular economy.

Through our network of hazardous waste transfer facilities, soil treatment facilities, recycling programs, and project-based waste management services, KBL manages a wide range of regulated materials safely and in compliance with applicable requirements. Where possible, materials are segregated, consolidated, treated, recycled, or directed to beneficial reuse pathways instead of disposal. Metals and other recoverable materials are separated and returned to the market, reducing the need for extraction of virgin resources and transforming potential liabilities into secondary resources.

Contaminated Soil and Water

KBL's Soil Treatment Facilities support waste diversion by treating, stabilizing, and repurposing contaminated soils. Depending on treatment outcomes and regulatory requirements, treated soils may be beneficially reused, including as alternative daily cover, reducing the need for new material extraction and extending landfill capacity. KBL's soil treatment and bioremediation facilities are specifically used to receive contaminated soils that can be treated to levels approved for beneficial reuse.

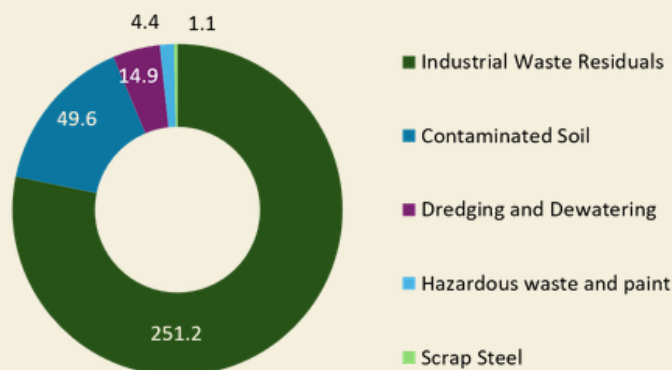
KBL also supports responsible water stewardship through water treatment, dredging, dewatering, and project-based water management services. These services help clients manage contaminated water, sediments, sludges, and fines in ways that reduce environmental risk and support compliant discharge, treatment, reuse, or disposal. KBL's broader service portfolio includes water treatment and management, dredging and dewatering, sludge processing, contaminated soil and bulk solids transportation, and remediation services.

Building the 2025 Diversion Baseline

In 2025, KBL strengthened the consistency and scope of waste-diversion tracking across facilities, field services, logistics, and project-based operations. This expanded reporting provides a more complete view of materials treated, recycled, recovered, beneficially reused, or otherwise diverted across KBL's operations.

KBL's 2025 waste diversion story is not only about totals — it is about strengthening the systems and partnerships that make diversion possible. This includes expanding beneficial reuse pathways, improving waste characterization and tracking, supporting circular economy solutions, and helping clients reduce reliance on landfill and disposal. KBL's Technical Services group also supports this work through waste residuals management, circular economy solutions, contaminated soil and water treatment, sludge stabilization, and waste reduction strategies.

321
Million Kg
Materials Diverted,
& Recycled



11.5
Billion L
Water Treated
& Reintroduced

Circular Economy

Waste Residuals Reuse

In 2025, KBL continued advancing circular economy solutions by identifying beneficial reuse pathways for industrial residuals that would otherwise require disposal. These initiatives support KBL's broader commitment to waste diversion, resource recovery, and sustainable materials management.

A key example is the beneficial reuse of bottom ash: in 2025, KBL supported the movement of approximately 120,121 tonnes of bottom ash to approved beneficial reuse and residuals management pathways, reducing reliance on landfill disposal and supporting circular economy outcomes.

KBL also continued to support other beneficial reuse streams, including 5,525 tonnes of sawdust used at hydrovac receiving facilities for stackability and 506.11 tonnes of lime kiln dust directed for agricultural use. These projects demonstrate how KBL works with clients to turn difficult residuals into practical inputs for industrial, agricultural, and waste management applications.



110,918 t
Bottom Ash
Beneficially
Reused

125,000 t
Sulphur
Managed

5,525 t
Sawdust
Reused

Metals Recovery and Resource Diversion

1,080 t
Scrap Steel
Recycled

In the North, KBL's Enterprise Metals Transfer Facility supports safe and efficient management of recyclable metal waste. Metals are depolluted or decontaminated before arriving at the facility, helping ensure environmental compliance while maximizing resource recovery. The facility plays an important role in diverting metals from landfills and supporting large northern remediation projects, including Giant Mine.

In 2025, KBL recycled 1,080 tonnes of scrap steel through the Enterprise Facility. By consolidating and recovering recyclable metals in the North, KBL helps reduce landfill pressure, supports regional waste solutions, and returns materials to productive use.

Paint Recycling and Materials Recovery

KBL continues to lead in post-consumer paint recycling, operating Western Canada's only dedicated paint recycling facility. Paint recycling supports KBL's goals to reduce landfill-bound waste, recover usable materials, and eliminate improper disposal of products with potential environmental impacts.

3.4M Kg
Paint Recycled

Greenhouse Gas Emissions

Tracking 2025 Emissions and Advancing 2030 Goals

KBL's commitment to climate action is embedded in how we operate and in the value we deliver to our clients. Through beneficial reuse programs, circular economy initiatives, logistics optimization, local treatment options, and landfill diversion, we help reduce the environmental footprint associated with waste management, remediation, and long-distance hauling.

In 2024, KBL established a baseline for tracking energy consumption and greenhouse gas emissions across facilities, transportation, and equipment use. In 2025, we advanced this work by actively tracking emissions data across our operations, improving the consistency of fuel and energy reporting, and using the information to identify high-impact opportunities for reduction.

As part of this continued commitment, KBL joined Canada's 2030 Challenge, reinforcing our focus on measurable climate action and alignment with national emissions reduction goals. Canada's climate targets include reducing emissions by 40–45% below 2005 levels by 2030 and achieving net-zero emissions by 2050, and KBL's internal climate work supports this broader direction through practical, operations-based improvements.

KBL's emissions strategy is built on continuous improvement, practical innovation, and collaboration with clients and partners. By strengthening internal tracking in 2025, we are better positioned to set reduction targets, monitor progress, and guide future investments in fleet efficiency, idle time reduction, facility-level energy performance, waste-to-resource projects, and lower-carbon logistics.

Idling Reduction and Operational Efficiency

KBL continued its focus on reducing unnecessary engine idling and improving operational efficiency across its fleet and field operations. These efforts support both environmental and financial performance by reducing fuel consumption, lowering emissions, and reinforcing driver and operator accountability.

KBL also continues to pursue project-based opportunities that reduce greenhouse gas emissions for clients and communities. For example, KBL's waste oil recycling business case identifies opportunities to reduce emissions by recycling waste oil locally, reducing the need to transport waste oil to southern recycling facilities, and displacing imported virgin fuels for local use. These types of circular economy solutions demonstrate how KBL's services can support both operational emissions reductions and broader client ESG goals.





Social Responsibility



At KBL, social responsibility is more than a corporate obligation — it is a reflection of our values and the way we do business every day. From how we engage with Indigenous partners to how we support employees and communities, KBL's social impact is rooted in respect, equity, accountability, and long-term relationship building.

Our social responsibility strategy is built around three core pillars: people, partnerships, and community. These pillars guide our approach to employee engagement, workforce development, Indigenous inclusion, ethical procurement, community investment, and local benefit. Every region we work in — especially northern and remote communities — requires a tailored approach that considers local priorities, cultural context, and stakeholder voices.

In 2025, KBL strengthened its people and culture programs through a second Employee Engagement Survey, leadership training, the Rising with RRAD Feedback & Development Program, and the launch of the Kudos recognition platform. These initiatives contributed to measurable improvement in employee engagement, including an increase in KBL's industry benchmark ranking from the 53rd percentile to the 70th percentile and an increase in engaged employees from 21% to 34%.

We track our progress using both qualitative and quantitative indicators, including workforce demographics, training hours, employee engagement, Indigenous employment, Indigenous procurement, community investment, and safety participation. Our internal systems — including WorkHub, SiteDocs, Avanti, and employee feedback tools — support consistent training, performance management, communication, recognition, and employee engagement tracking.

As a company operating on traditional territories and within culturally diverse communities, KBL remains particularly focused on advancing economic reconciliation. This includes Indigenous employment and training, Indigenous procurement, fair partnership models, and formal joint ventures designed to build capacity and shared value. In 2025, KBL continued to strengthen Indigenous inclusion through reported Indigenous procurement, self-identified Indigenous employment, and ongoing project delivery through Indigenous partnerships such as True North Environmental.



Engagement Survey and Inclusion Progress

In October 2025, KBL completed its second Employee Engagement Survey, providing an important year-over-year view of employee experience, engagement, communication, and inclusion across the organization. The results showed substantial progress and confirmed that initiatives launched earlier in the year are having a measurable impact.

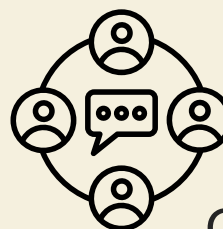
KBL's overall percentile ranking against the industry benchmark improved from the 53rd percentile to the 70th percentile, while the percentage of engaged employees increased from 21% to 34%. Contributors rose from 16% to 25%, while areas identified as weaknesses decreased from 21% to 13%, and threats dropped significantly from 35% to 9%. KBL also achieved improvement across every engagement category measured.

These improvements reflect the success of targeted initiatives launched throughout 2025, including the Rising with RRAD Feedback & Development Program, the Kudos recognition platform, leadership training, and focused communication improvements for site supervisors. Together, these efforts are helping strengthen trust, improve collaboration, and create a more connected and inclusive workplace.



70th percentile

Industry Benchmark
Ranking - Improved
from 53rd



25%

Contributors
Improved from 16%

34%

Engaged Employees
Improved from 21%



9%

Threats
Reduced from 35%

Compensation, Benefits, and Employee Wellbeing

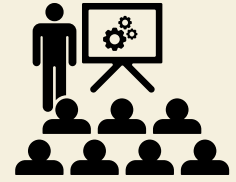
KBL is committed to ensuring that every employee is fairly compensated, supported, and valued — no matter their role or location. We continue to invest in competitive compensation, benefits, mental health support, and employee wellbeing programs that help build a high-performing and inclusive workplace.

In 2025, KBL continued to support employee wellbeing through enhanced benefits, expanded communication tools, and programs that reinforce recognition, feedback, and professional growth. These initiatives reflect our belief that employee engagement and wellbeing are essential to long-term retention, productivity, safety, and organizational success.

Commitment to Staff Development

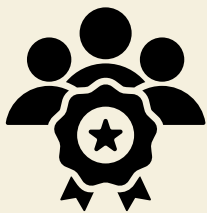
KBL invests in continuous learning as a cornerstone of employee success, leadership development, and safe operations. In 2025, KBL expanded its employee development programs with a strong focus on manager capability, performance feedback, safety leadership, and consistent communication across regions.

KBL delivered a customized Manager Training Program to 120 participants, with 88.5% rating the experience as good or excellent. The program included modules on Understanding the KBL Business, Safety Leadership, Finance for the Non-Financial Manager, Communication Skills, the Role of a Manager, and Recruiting & Interviewing. By developing and delivering the program internally with KBL subject matter experts, the company reduced estimated external training costs from approximately \$360,000 to \$39,769, while ensuring the content reflected KBL's operating environment, values, and culture.



120

Managers
Trained



101k

Recognition Points
Distributed

Recognition, Engagement and Culture

In 2025, KBL continued building a stronger recognition and feedback culture through the rollout of Rising with R.R.A.D., KBL's feedback and development program, and the launch of KBL Kudos, an employee recognition platform designed to celebrate everyday contributions, safety leadership, teamwork, and values-based behaviour.

Early engagement with KBL Kudos demonstrated strong momentum: 52% of employees logged into the platform, 134 recognition posts were shared, 482 badges were awarded, and more than 101,000 points were distributed to employees. These programs help reinforce positive behaviours, strengthen connection across regions, and make recognition a visible part of KBL's culture.

Respectful and Inclusive Workplace

KBL maintains a Respectful Workplace Policy reinforced through onboarding, annual training, and clear procedures for reporting and resolving workplace concerns. In 2025, KBL continued to strengthen inclusion and engagement through regional social committees, the relaunch of the People & Culture SharePoint page, and continued focus on inclusive communication across policies, training, and business planning.

KBL also continued to support employee wellbeing through competitive benefits and mental health coverage. Fiscal 2025 results showed below-average short-term disability claims, with zero mental-health-related short-term disability claims noted, likely supported by increased psychology coverage in the benefits plan.

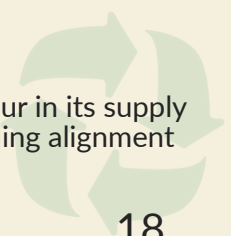


40%

Female
Leadership

Ethical Procurement and Forced Labour Prohibition

KBL remains committed to ethical procurement and maintains zero tolerance for forced or child labour in its supply chain. In 2025, KBL continued strengthening supplier expectations and procurement controls, including alignment with Canada's Bill S-211 requirements and broader ESG reporting commitments.



Indigenous Inclusion

Indigenous Partnerships and Net Benefit

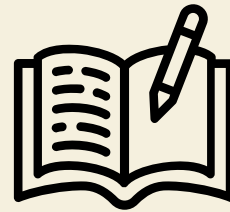
KBL works in partnership with Indigenous Nations, development corporations, and Indigenous-owned businesses across Canada. In 2025, these partnerships continued to support meaningful employment, training, procurement, and capacity-building opportunities across northern, remote, and project-based operations.

KBL's 2025 ESG data identifies 6.5% of employees who self-identify as Indigenous and tracks Indigenous business participation through procurement and subcontracting records. Current reported 2025 Indigenous procurement totals approximately \$9.0 million across listed Indigenous suppliers and subcontractors,

At Giant Mine, Indigenous partnership continues to be a defining part of project delivery. Through True North Environmental, a joint venture between KBL Environmental and Det'on Cho Corporation, KBL has supported major remediation activities since 2020, including legacy debris removal, environmental monitoring, waste transfer operations, landfill management, and core industrial area demolition. Across Giant Mine scopes, TNE achieved more than 46,800 Indigenous labour hours, approximately 42% Indigenous participation, nearly 38,840 Indigenous training hours, and approximately 87% Indigenous procurement.



46,800
in Labour
Hours



6.5%
Indigenous
Employees

\$9.0M
in Indigenous
Procurement



38,840
Hours of
Training



Indigenous Employment and Training

KBL is committed to creating meaningful, long-term employment and training opportunities for Indigenous communities across the regions where we operate. In 2025, this included structured onboarding, safety and environmental training, mentorship, career development, and opportunities for Indigenous employees to gain transferable skills in environmental services, equipment operation, monitoring, demolition, and project execution.

At Giant Mine, training and recruitment efforts included collaboration with community training coordinators, BEAHR, Det'on Cho leadership, and other community partners. A successful April 2025 training program produced 36 newly trained employees supporting the Core Demo Project. These initiatives demonstrate KBL's ongoing commitment to economic reconciliation, Indigenous workforce development, and long-term community capacity building.

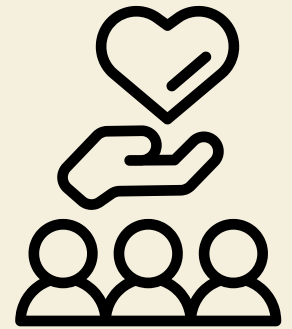


Corporate Giving

KBL proudly supports organizations, events, and community initiatives that reflect the values of our employees and the communities where we live and work. In 2025, KBL contributed approximately \$48.2K through corporate giving, sponsorships, employee-supported causes, and community impact initiatives.

Our 2025 contributions supported a wide range of local and regional priorities, including the Alberta Summer Games, Ocean Wise shoreline cleanup activities, household hazardous waste and community environmental events, hurricane relief, children's and youth sports, hospital stay support kits through Larga House, health foundations, community breakfasts, mine rescue programming, and employee-led fundraising efforts.

These contributions reflect KBL's belief that community impact is built through both financial support and active participation. Whether helping families during difficult times, supporting youth recreation, advancing environmental stewardship, or contributing to community events, KBL is proud to invest in initiatives that strengthen local connections and create positive outcomes beyond our day-to-day operations.



\$48.2k



Community Cleanup

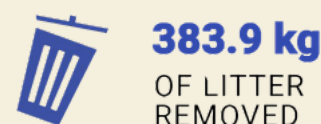
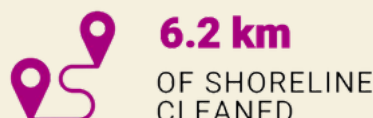
Location	City	Kg
Hulls Wood – Fish Creek Provincial Park	Calgary	17.7
Red River Boat	Winnipeg (Satellite)	84.8
North Arm Trail @ No 5 Rd	Richmond	253
Gold Bar Creek	Edmonton	28.4



Impact Summary compared to the Dirty Dozen



Impact Summary by the Numbers



Unusual items found during cleanup: skull mask, egg poacher, animal jawbone, boots, cash, BBQ brush

KBL continued to support hands-on environmental stewardship through Ocean Wise shoreline cleanups. In 2025, employees and volunteers completed 4 registered cleanups, removed 383.9 kg of litter, and cleaned 6.2 km of shoreline across Calgary, Winnipeg, Richmond, and Edmonton. These efforts reflect KBL's commitment to strengthening communities while helping protect the environments where we live and work.

KBL also continued to support environmental stewardship in Yellowknife through sponsorship of local community programs and Household Hazardous Waste Days. These events give residents a safe, accessible way to dispose of materials such as aerosols, batteries, cleaners, paint, solvents, oil, propane cylinders, pesticides, and other household hazardous products that should not enter regular waste streams. By supporting these events, KBL helps reduce environmental risk, promote responsible waste disposal, and strengthen community awareness around hazardous waste management in the North.

YELLOWKNIFE SOLID WASTE FACILITY

HOUSEHOLD HAZARDOUS WASTE DAYS

JUNE 28+29

HERE'S YOUR OPPORTUNITY TO SAFELY DISPOSE OF ITEMS LIKE THESE:

- Aerosol cans
- Antifreeze/ Glycols
- Batteries – Nicad, Lithium, Alkaline
- Bleach
- Brake fluid
- Cosmetics
- Detergents
- Disinfectants
- Driveway sealant
- Compressed gas cylinders – Propane/Butane
- Fertilizers
- Fluorescent tubes
- Light Ballast
- Gasoline and diesel
- Glues and adhesives
- Hair dye
- Hairspray
- Herbicides
- Household cleaners
- Hydrogen peroxide
- Insecticides
- Mildew remover
- Motor oil

- Motor vehicle batteries
- Nail polish and remover
- Oil filters
- Paint
- Paint remover
- Paint thinner
- Perfume and cologne
- Pesticides
- Pool/hot tub chemicals
- Rubbing (isopropyl) alcohol
- Scouring powder
- Smoke alarms
- Solvents
- Stains and sealants
- Screens
- Thermometers with mercury
- Turpentine
- Varnish
- Waxes
- Windshield washer fluid
- Fuel/Oil Filters
- Corrosive cleaners
- Expired Bear Spray

PRESENTED BY

KBL

CITY OF YELLOWKNIFE

THE RESIDENTIAL VEHICLE FEE WILL BE WAIVED FOR THIS EVENT! RESIDENTS LOOKING TO DISPOSE OF ANY WASTE NOT LISTED ABOVE STILL HAVE TO PAY THE STANDARD \$16.00



Corporate Governance



Strong governance is the foundation that enables KBL to operate with integrity, accountability, and long-term vision. Our approach ensures that every decision — from daily field operations to executive-level strategy — is aligned with our values, complies with applicable laws and regulations, and contributes to our long-term sustainability goals.

KBL maintains a robust internal governance framework supported by formal policies, delegated authorities, compliance systems, and structured operating processes. Oversight of ESG matters is integrated into our executive leadership team and reviewed regularly through internal performance tracking, safety audits, financial controls, strategic planning sessions, and project-level reporting. While we are a privately held company, we voluntarily align many of our governance practices with recognized standards for transparency, accountability, and stakeholder trust.

In 2025, KBL was recognized as one of Canada's Best Managed Companies, a milestone that reflects our commitment to operational excellence, strategic growth, continuous innovation, and sustainable performance. The designation also served as a catalyst for continued improvement, helping KBL formalize its three-year strategic plan, strengthen cross-functional alignment, and reinforce accountability across business units.

We prioritize ethical conduct in all areas of our operations. Our Code of Conduct, procurement policies, and third-party contracting standards are designed to prevent conflicts of interest, ensure fair competition, and uphold human rights — including a strict prohibition on forced and child labour in our supply chain. In 2025, KBL continued refining internal systems, supplier expectations, and ESG reporting processes to support responsible growth and evolving stakeholder expectations.

KBL also continues to strengthen quality governance across the organization. Our quality management practices are aligned with ISO 9001 principles, including document control, traceability, defined roles and responsibilities, internal audits, non-conformance tracking, and corrective action processes. Looking ahead, KBL is working toward formal ISO 9001 certification in 2026, building on our existing project controls, QA/QC practices, and continuous improvement systems.

Good governance is about more than rules — it is about fostering a culture of responsibility. At KBL, this means ensuring that every employee understands their role in upholding our standards and that leadership is held to the same expectations. Our commitment to responsible governance enables us to grow with confidence, partner with integrity, and deliver environmental and social impact at scale.

2025 Governance Milestones

- Canada's Best Managed Companies designation
- Three-year strategic plan formalized
- ISO 9001 certification pathway initiated
- Enhanced QA/QC and ESG reporting systems



A Culture of Safety

Year-over-Year Improvement

KBL upholds safety as a non-negotiable priority, reflected in our field culture, operational procedures, leadership accountability, and focus on continuous improvement. In 2025, KBL improved key safety performance indicators year over year while continuing to work across complex, high-risk environments.

Our Total Recordable Injury Rate improved from 2.04 in 2024 to 1.53 in 2025, while our Near Miss Frequency Rate improved from 9.46 to 6.90. Our Motor Vehicle Incident Rate also improved slightly, moving from 1.26 in 2024 to 1.22 in 2025, and KBL maintained a Lost Time Incident Rate of 0. These results reflect stronger reporting discipline, improved corrective action follow-through, targeted training, and increased focus on proactive prevention.

KBL continued to track leading indicators such as safety observations, toolbox talks, field-level risk assessments, SiteDocs submissions, hazard identification, and employee participation in training. In 2025, employees completed 5,955.25 hours of health and safety training, and KBL recorded 53,593 proactive efforts, averaging 135 proactive efforts per employee. These proactive activities help identify risk earlier, support field-level decision-making, and strengthen KBL's safety culture across all regions.

0
Reportable Spills or
Releases and Lost
Time Incidents



53,593
Proactive
Efforts

**Total Vehicle
Incident Rate (TVIR)**
1.22

**Total Recordable
Injury Rate (TRIR)**
1.53

Spills and Releases



6.90
Near Miss
Frequency Rate

5,955 hours
of HSE
Training

KBL rigorously tracks environmental releases and spills, no matter how small. In 2025, our internal compliance audits, spill response protocols, corrective action processes, and increased use of digital reporting tools supported rapid response and mitigation. All releases are investigated for root cause and used as learning opportunities across the organization.

KBL's safety management approach is grounded in its internal responsibility system, which recognizes that every employee and contractor has a role in maintaining a safe work environment. The 2025 HSE Manual also emphasizes hazard identification, risk assessment, worker involvement, corrective actions, and continuous improvement as core elements of the Health and Safety Management System.

Resource Management

WorkHub, SiteDocs and Digital Resource Tools

In 2025, KBL continued strengthening the systems that support resource planning, training, compliance, and field execution across the organization. Building on the rollout of WorkHub and SiteDocs, KBL expanded its use of digital platforms to improve real-time visibility into employee training, certifications, hazard assessments, safety documentation, and field-level compliance. These systems support consistent onboarding, supervisor oversight, and access to key reference materials across both office and remote project environments.

KBL also continued to formalize competency tracking and documentation. The 2025 HSE Manual reinforces that employees must be trained on the tasks they perform, verified as competent before working independently, and assessed through documented competency processes for critical or high-risk tasks. It also confirms that KBL retains competency documentation as evidence of training and readiness.

The company also strengthened contractor and carrier management in 2025. Contractors and carriers are required to meet prequalification requirements before working on behalf of KBL, including HSE review, insurance, workers compensation good standing, and acknowledgement forms. Where exceptions are required, variance approvals must include added controls and be endorsed by HSE and operational leadership.

BUILDING CAPACITY. STRENGTHENING PERFORMANCE.



Employee Handbook and HSE Alignment

In 2025, KBL continued updating and reinforcing employee policies, safety expectations, and workplace standards through its Employee Handbook, HSE Manual, and digital training platforms. The 2025 HSE Manual is built on an Internal Responsibility System, recognizing that every employee and contractor has a role in maintaining a safe work environment.

KBL's updated systems also reinforce expectations around safe work, documentation, training, and accountability. Workers are responsible for completing corporate orientation, attending safety meetings, reporting hazards and incidents, participating in required training, submitting required documentation, and maintaining current safety certifications. Supervisors are responsible for coaching workers on safety documentation, completing inspections, reviewing corrective actions, and ensuring employees are fit for duty and competent for assigned tasks.

Commitment to High Standard Business Practice

In 2025, KBL continued strengthening data integrity, subcontractor compliance, and ESG reporting systems to support transparency and trust among clients, partners, employees, and Indigenous stakeholders. This included continued use of digital compliance platforms such as SiteDocs and WorkHub, which support real-time tracking of training, certifications, hazard assessments, and field-level safety compliance. The 2024 ESG report highlighted that these platforms improved training visibility, reduced paperwork, and enhanced supervisor oversight across remote and field-based operations.

OUR GOVERNANCE FRAMEWORK



Strong Cyber Security

Cybersecurity remains an essential part of responsible governance. In 2025, KBL continued to strengthen its IT infrastructure through upgraded firewalls, endpoint protection, encrypted email services, access controls, and mandatory cybersecurity training. These measures help protect the information of clients, employees, partners, and project stakeholders while supporting reliable and secure business operations.

KBL also continued regular vulnerability assessments and maintained multi-factor authentication for remote access to sensitive data and software platforms. These efforts support KBL's broader goal of aligning with recognized information security standards, including ISO/IEC 27001.

ZERO
Data leaks,
Losses, or
Breaches



Project Profiles

Beneficial Reuse of Stormwater Pond Sediment: Advancing Circular Economy Solutions in Calgary

KBL is proud to support innovative environmental solutions that advance sustainability, reduce waste, and promote circular economy practices across Western Canada. In collaboration with The City of Calgary and SYLVIS Environmental Services, KBL participated in a groundbreaking initiative focused on the beneficial reuse of stormwater pond sediment — transforming a historically landfilled waste stream into a valuable environmental resource.

Stormwater management ponds play a critical role in protecting urban waterways by capturing runoff, sediments, and pollutants before water is discharged into natural systems. Over time, accumulated sediment must be removed to maintain pond capacity and operational effectiveness. Traditionally, this dredged material has been treated as waste and transported to landfill facilities. Through this collaborative project, KBL helped demonstrate a more sustainable alternative.

Working alongside project partners, KBL supported the development and evaluation of manufactured soil blends using dewatered stormwater pond sediment combined with compost, sand, and organic amendments. The project assessed technical feasibility, environmental performance, and regulatory compliance under Alberta's environmental framework. Testing confirmed the sediment met Alberta Tier 1 guidelines for residential and parkland land use applications, enabling its use in beneficial soil manufacturing applications.

In 2024, The City of Calgary received regulatory authorization to proceed with a demonstration application project using fabricated topsoil produced from reclaimed sediment. Approximately 500 cubic metres of manufactured soil were applied across a three-hectare site to improve soil productivity and vegetation establishment. Monitoring results confirmed the project successfully enhanced soil quality while reducing landfill dependency and supporting long-term environmental stewardship.

This initiative highlights the value of collaboration, innovation, and practical environmental problem-solving. By helping divert sediment from landfill and repurpose it into a usable soil product, the project demonstrates how municipalities and industry can work together to reduce waste, lower greenhouse gas emissions associated with hauling and disposal, and conserve natural resources.

For KBL, projects like this reinforce our commitment to sustainable environmental solutions and supporting clients in achieving their ESG and circular economy objectives.



Giant Mine Remediation Project: Continuing a Multi-Year ESG Commitment

Giant Mine remains one of Canada's most complex legacy remediation projects and continues to be a defining example of KBL's ESG principles in action. In 2025, KBL, through True North Environmental Ltd. — an incorporated joint venture between Det'on Cho Corporation and KBL Corporation — advanced its role at the site through the Core Industrial Area abatement, demolition, and debris removal program. The project was awarded under the federal Procurement Strategy for Indigenous Business and is scheduled to run from November 2024 through October 2026.

The 2025 scope builds on prior work at Giant Mine by addressing highly complex legacy infrastructure within the Core Industrial Area. Activities include structural stability assessments, hazardous materials abatement, decontamination of structures, demolition of select buildings and utilities, and the characterization, segregation, and disposal of hazardous, non-hazardous, legacy, and operational wastes. This work supports the broader Giant Mine Remediation Project objective of protecting the public, workers, the environment, and site infrastructure while maintaining regulatory compliance.

Because of the site's historic arsenic, asbestos, cyanide, and other hazardous-material risks, the project is governed by detailed safety, health, and environmental protection controls. TNE's approach includes hazardous material identification and removal, controlled deconstruction, dust suppression, wastewater and dust management, air quality monitoring, medical monitoring, and strict waste handling procedures. These controls demonstrate how KBL integrates environmental stewardship, worker protection, regulatory compliance, and Indigenous partnership into the delivery of complex remediation work in the North.



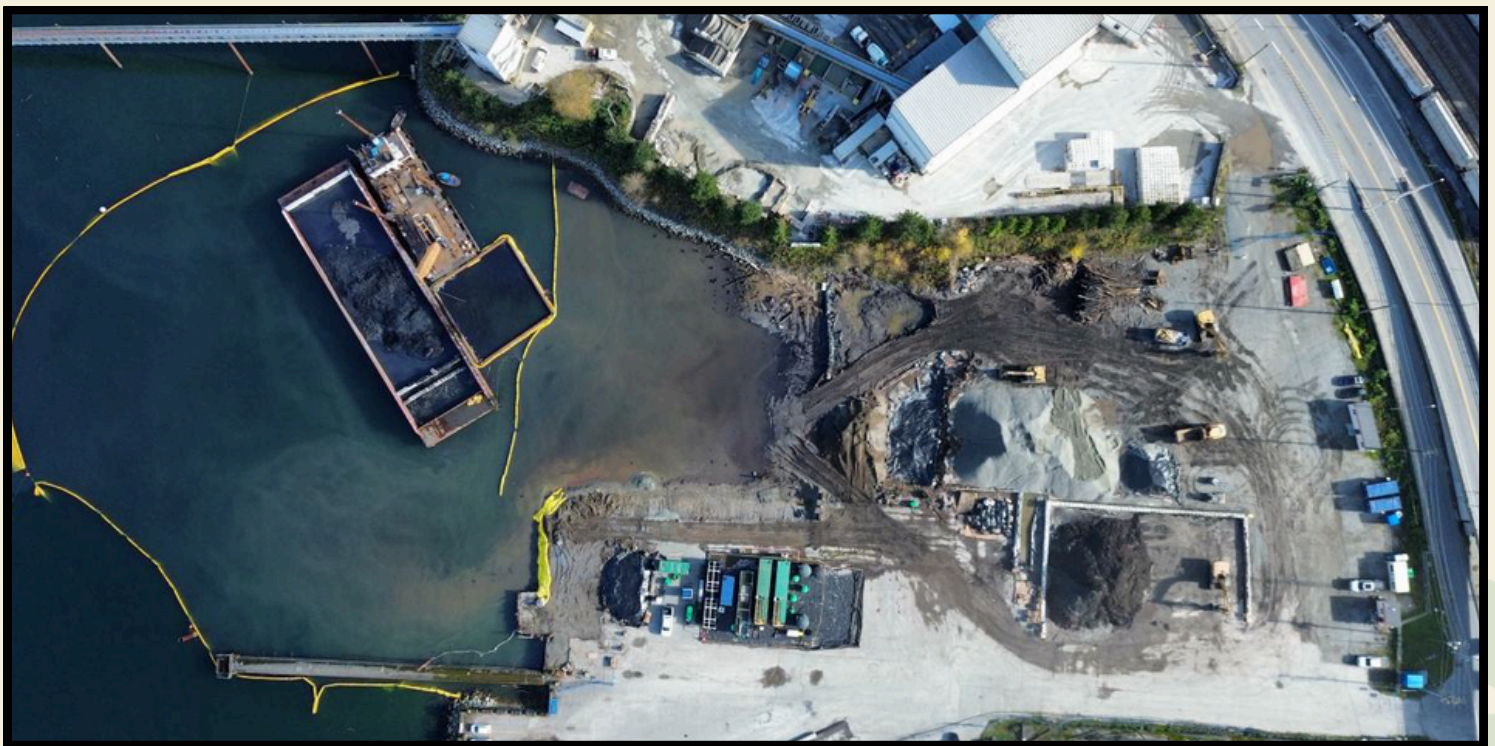
Restoring Industrial Shoreline at Sterling Shipyards

In 2025, KBL completed a complex remediation and water management project at the former Sterling Shipyards property within the Port of Vancouver on Burrard Inlet. The site, historically used as a shipyard and sawmill, contained extensive intertidal and subtidal contamination, including creosote timber, contaminated sediment, and historic debris. KBL was retained to remediate and upgrade the property for future use while protecting the surrounding marine environment.

The project required integrated remediation, dredging, dewatering, water treatment, and shoreline reconstruction. Across the three-acre work area, KBL managed intertidal excavation while coordinating subtidal dredging with its marine subcontractor. Approximately 11,000 m³ of contaminated sediment was excavated, dewatered, stabilized, transported, and disposed from the intertidal zone. An additional 6,500 m³ of subtidal sediment was dredged during high-tide windows and transferred to sealed scows, with generated water pumped to an onsite treatment system before discharge to Burrard Inlet under CCME Guidelines for the Protection of Aquatic Life.

The work also created long-term site and ecological value. KBL constructed a 100-metre revetment structure, imported and dynamically compacted 70,000 tonnes of structural fill, and increased usable Port land by approximately 4,500 m². Habitat restoration was incorporated through intermediate reef structures, offshore reefs, native kelp seeding, and more than 400 m² of upland riparian planting.

The project demonstrates KBL's ESG approach in action: safely managing contaminated materials, treating water before environmental discharge, adapting to challenging marine conditions, and creating lasting habitat and land-use benefits in a sensitive coastal setting.



Conclusion

At KBL, we believe environmental responsibility, social impact, and strong governance are not separate from business success — they are what make long-term success possible. In 2025, we continued to strengthen our systems, invest in our people, expand Indigenous and community partnerships, and deliver practical environmental solutions across complex projects and regions.

This report reflects a year of progress and continued maturity. We improved safety performance, advanced employee engagement, expanded recognition and leadership development programs, strengthened ESG and emissions tracking, and continued to grow our circular economy work through waste diversion, resource recovery, water treatment, remediation, and beneficial reuse. We also marked an important milestone with recognition as one of Canada’s Best Managed Companies, reinforcing the strength of our strategy, culture, and commitment to continuous improvement.

As we look ahead, KBL remains focused on measurable progress: reducing environmental risk, improving data quality, advancing climate and circular economy goals, building inclusive workplaces, supporting Indigenous participation, and enhancing governance and quality systems. Guided by our values — Diligent, Responsible, Accountable, and Resourceful — we will continue working with our employees, clients, Indigenous partners, and communities to build a cleaner, safer, and more sustainable future.



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