K-Bro Linen Inc. Sustainability Report 2025



K·BRO

Forward-looking statements

This report contains forward-looking information within the meaning of applicable securities laws. The use of any of the words “anticipate”, “continue”, “expect”, “may”, “will”, “project”, “should”, “believe”, and similar expressions suggesting future outcomes or events are intended to identify forward-looking information. Statements regarding such forward-looking information reflect management’s current beliefs and are based on information currently available to management.

These statements are not guarantees of future performance and are based on management’s estimates and assumptions that are subject to risks and uncertainties, which could cause K-Bro’s actual performance and financial results in future periods to differ materially from the forward-looking information contained in this report. These risks and uncertainties are detailed in our publicly filed documents. Although the forward-looking information contained in this report is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements regarding forward-looking information included in this report may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this report.

All forward-looking information in this report is qualified by these cautionary statements. Forward-looking information in this report is presented only as of the date made. Except as required by law, K-Bro does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

About K-Bro: Overview

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Corporate Profile

K-Bro is the largest healthcare and hospitality laundry and linen processor in Canada and one of the largest in the UK, with coast-to-coast national geographic footprints in each country.

We provide a comprehensive range of general linen and operating room linen processing, management and distribution services to healthcare, hotels and other commercial accounts.

K-Bro has a diverse workforce of over 4,000 employees(1) across 25 locations(1) that are outfitted with energy efficient equipment redundancies that ensure year-round reliability through the most demanding times. Space is optimized and computerized control systems oversee the many factors that impact quality, energy-use and cost.

Stellar Mayan Acquisition

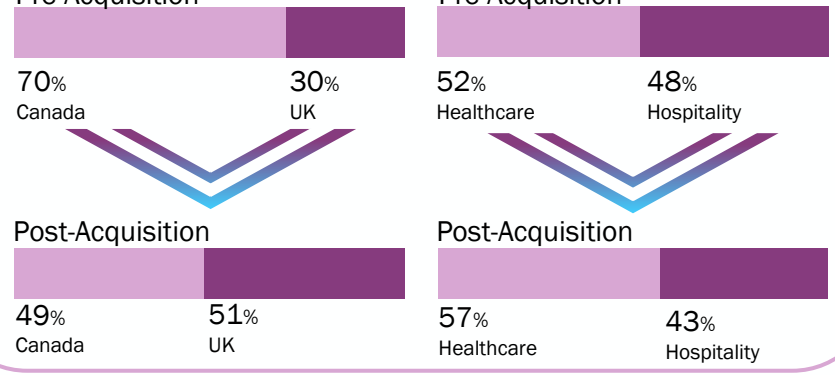
In June 2025, K-Bro acquired Stellar Mayan (doing business as Synergy, Grosvenor Contracts and AeroServe), a leading UK healthcare focused commercial laundry located in the Northwest, Midlands and South of England. Stellar Mayan, the largest acquisition in our history, shares similar values with K-Bro and adds approximately 1,200 employees and 7 operating facilities.

Highlights of the pro forma business have been included for convenience below, but Stellar Mayan results are otherwise excluded from this report. For additional details on the Stellar Mayan acquisition, please refer to K-Bro's May 13, 2025, investor presentation 'Transformational Acquisition of Stellar Mayan' which is available on our website www.k-brolinen.com and through SEDAR+ at www.sedarplus.ca.

Geographic Footprint



K-Bro Consolidated Revenue(2)



(1) Locations and employees include Stellar Mayan acquisition in 2025.
(2) Pro forma TTM revenue ended March 2025, including Stellar Mayan.

About K-Bro: Circular Essential Service Business Model

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Circular Business Model

Customers rely on our linens daily to operate their businesses. We are an essential service provider, and our methods ensure outstanding laundry and linen services 7 days a week, 365 days a year. K-Bro's circular business model provides dependable service while keeping high-quality products in use for longer, reducing natural resource consumption, and offering reusable alternatives to disposable products.

We are proud of our seven-decade history of responsible, innovative growth. We are committed to meeting strict water and energy consumption standards for conservation. In recognition of our environmental stewardship, we have earned Clean Green and ISO 14001 certifications. For additional details, please refer to page 8 (Long-Term Sustainability Strategy, Certifications & Accreditations).











Healthcare

Healthcare represents 57% of pro forma TTM revenue ended March 2025, including Stellar Mayan(1). Care providers rely on our linens to support daily patient care journeys. K-Bro understands the essential nature of dependable hygienically clean linens to better healthcare outcomes. Hospitals and medical care facilities rely on K-Bro to provide their linen services, 365 days a year.

Hospitality

Hospitality represents 43% of pro forma TTM revenue ended March 2025, including Stellar Mayan. K-Bro understands the importance of high-quality linens and how they contribute to better guest experiences. Our priority is to deliver five-star quality and hygienically clean linen products to meet customers' daily needs, each and every day.

(1) Pro forma TTM revenue ended March 2025, including Stellar Mayan.

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ESG Frameworks and Standards

K-Bro is supportive of the objectives of the Taskforce for Climate-Related Financial Disclosure (TCFD), the Sustainability Accounting Standards Board (SASB), and the United Nations Sustainable Development Goals (SDGs) and this report aligns with their frameworks and recommendations. Summaries of our TCFD and SASB responses are included in the appendix of this report.

We monitor international standards and regulatory developments. Effective January 1, 2025, the Canadian Sustainability Standards Board (CSSB) published the Canadian Sustainability Disclosure Standards (CSDS) as voluntary disclosure framework. These standards were informed by the International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB) sustainability disclosure standards. In future, K-Bro intends to align with the Canadian Sustainability Disclosure Standards (CSDS) and is assessing a roadmap to adoption.



This Year's Report

The preparation of this report was overseen by K-Bro's Board of Directors and senior management.

Scope

Unless stated otherwise: (i) information in this report is presented as at, and for, the year ended December 31, 2024; (ii) information is presented on a consolidated basis for both the Canadian and UK divisions; (iii) all financial figures are in Canadian dollars (CAD). References to "we", "our", "us", the "Company", the "Corporation" and "K-Bro" refer to K-Bro Linen Inc. and its affiliates. Acquisitions made in 2024 are reflected from the date acquired, unless otherwise noted. The Company's acquisition of Stellar Mayan in 2025 is excluded from this report, unless otherwise noted.

Materiality

Materiality in this report relates to the significance of environment, social and governance (ESG) topics and their potential impact on our business and stakeholders. ESG topics deemed material in this report, may not be material to K-Bro's operations, access to capital or market value. K-Bro engaged a reputable third-party ESG consultant to assist in canvassing internal and external stakeholders for our materiality assessment. Details related to the approach and identified material topics are available on page 7 of this report.

Additional Information

Additional information related to K-Bro's business and sustainability program is available on our website www.k-brolinen.com.

Contact

If you have any questions related to this report, please contact Ryan Quirt at rquirt@k-brolinen.com.

Sustainability: Executive Messages

K-Bro's Culture

We're proud of our talented, diverse and motivated workforce that share our values and represent our local communities. We have always prioritized hiring and retaining the right workforce. Our corporate culture defines how we do business, and our team embraces shared values including; dependability, kindness, collaboration, inclusion, ethics, safety and sustainability. We look for cultural alignment when evaluating potential acquisitions and are delighted to welcome our new teammates.

National Platforms in Canada and the UK

We have realized national expansions with coast-to-coast platforms in Canada and the UK. We're able to deliver industry-leading service to healthcare and hospitality customers from our network of strategically located facilities. Our services are essential to the continuity of our customers' operations, and we're embodying sustainable practices to support them for the long-term. Our network ensures operational resilience and supports our business contingency planning processes, which are designed to mitigate operational, business, climate and other risks.

Advancing our Sustainability Journey

K-Bro has grown significantly since emerging from the pandemic. In the past three years, we've completed five acquisitions and are excited about our growth outlook. We are proud of our seven-decade history of responsible, innovative growth. We've made progress on our sustainability journey and know we can accomplish even more together. As we advance our sustainability journey, we are excited to integrate new businesses into the K-Bro family.



Linda McCurdy
President & CEO

Public Company Milestone

K-Bro went public 20 years ago with a vision to deliver industry-leading essential service to customers while embracing our commitments to sustainability. At the time of our initial public offering, we had four Canadian facilities and aspirations for national expansion. As we celebrate 20 years as a public company, we have grown our footprint to 25 facilities with national platforms in both Canada and the UK. We're excited about our growth outlook and are focused on organic growth and potential future acquisitions. We're proud of our talented team and our culture that puts people first, supports our partners and embraces environmental stewardship. We prioritize collaboration with our stakeholders to appreciate their priorities, solicit and receive feedback and align around common goals. We're proud to be dependable partners!

Corporate Governance

My Board colleagues and I actively oversee and guide the maturing of K-Bro's sustainability program, management of risks and pursuit of growth opportunities. Our corporate governance practices were developed to ensure the Company's business is effectively managed in support of strong stakeholder relationships and enhanced shareholder value. We have successfully grown our platform with complementary acquisitions, and our post acquisition integration process aligns the governance practices of acquired businesses with our standards.

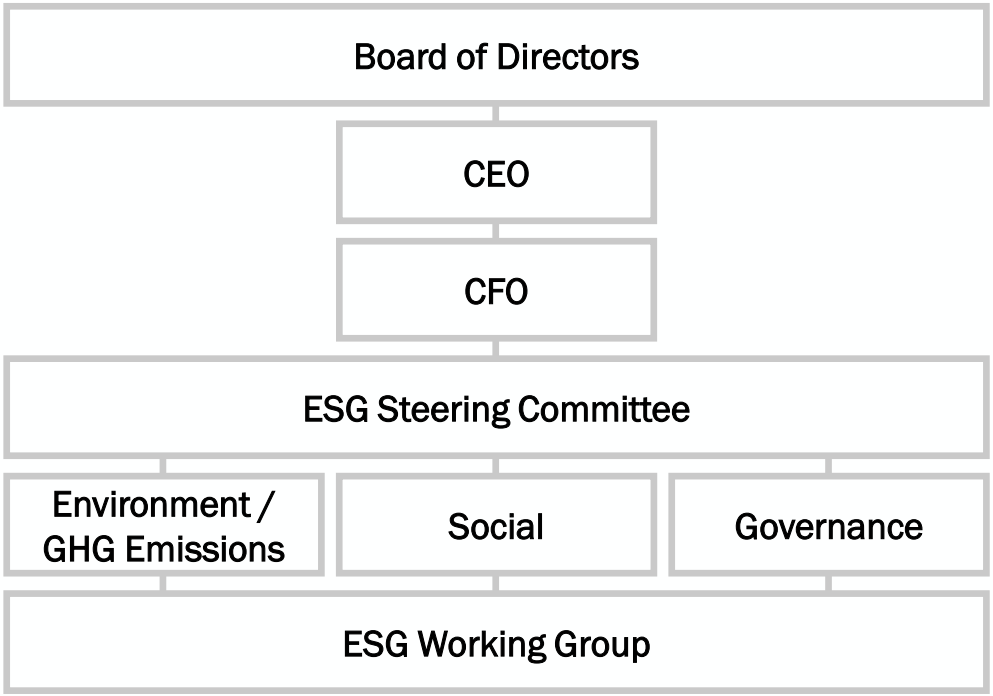


Michael Percy
Board Chair

Sustainability: K-Bro's ESG Team and Material Topics

Sustainability Governance Structure

K-Bro's Board of Directors provides formal oversight, strategic direction and guides the maturing of K-Bro's ESG program, ensuring its effective implementation. K-Bro has adopted a business-unit centric model for our ESG reporting structure, comprised of non-dedicated ESG resources. Senior management is accountable for our ESG strategy, direction, objectives and implementation. Our ESG Steering Committee manages day-to-day responsibilities of our program, and our working group (an experienced and diverse group of subject matter experts) supports all aspects of our implementation.



Stakeholder Engagement

As the largest healthcare and hospitality laundry and linen processor in Canada, and one of the largest in the UK, K-Bro has a range of stakeholder groups including: healthcare and hospitality customers, employees, shareholders, association groups and unions, suppliers and vendors, community groups and governments and regulators. We collaborate with our stakeholders to appreciate their priorities, solicit and receive feedback and align around common goals.

Material Topics

K-Bro engaged a reputable third-party ESG consultant to assist in canvassing our stakeholders for our materiality assessment. Participants were oriented to K-Bro's objectives and invited to rank topics based on level of importance. The significance of each topic within the materiality assessment reflects the importance to stakeholders (vertical axis) and impact on K-Bro's business (horizontal axis). Twelve material topics were identified as tier one or two, which are material to K-Bro's business and have ultimately informed the development of our ESG strategy.

Tier One Topics

- S Customer satisfaction
- S Health & safety
- G Business ethics & integrity
- G Legal & regulatory compliance

Tier Two Topics

- S Labour & human rights
- G Crisis & risk management
- G Modern slavery compliance
- S Corporate culture
- S Diversity, equity & inclusion
- E GHG emissions
- S Employee engagement
- E Environmental management

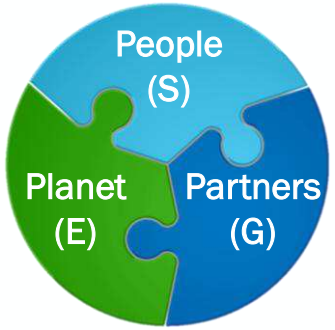
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Our Vision

K-Bro will focus on delivering industry-leading service as we embrace our responsibilities to society as a good corporate citizen - supporting the communities in which we operate, being a great place to work and a dependable partner for all our stakeholders.

People, Partners and Planet

Putting people first, supporting our partners and environmental stewardship have always been part of our culture and priorities for K-Bro.



People, Partners and Planet are terms that are significant to our team and form the basis of our pillars to help us engage with stakeholders around sustainability for the long-term. We have mapped the topics from our materiality assessment into our pillars. We assess objectives and targets for each of our pillars to achieve changes to enhance our long-term vision.

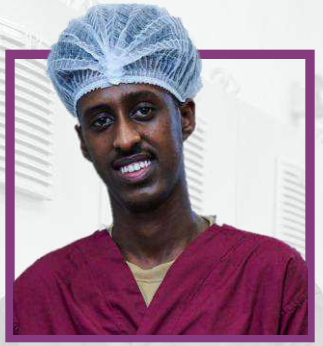
K-Bro Alignment with UN Sustainable Development Goals

We believe our efforts align closely with six of the SDGs. Additional details can be found in the appendix page 29 (K-Bro Mapping to UN SDGs).



2024 Certifications & Accreditations

Where acquired businesses are not certified, assessments are completed and roadmaps to certification are developed.



- 5 facilities are certified to ISO standard 45001 (Health & Safety)
- 5 facilities are certified to ISO standard 9001 (Quality)
- 5 facilities have achieved HLAC accreditation
- 6 facilities have achieved Clean Green™ certification
- 4 facilities are HLAC Hygienic Testing certified
- 5 facilities are certified to ISO standard 14001 (Environmental)
- 2 facilities are TRSA Hygienically Clean Healthcare certified

Note: Excludes Stellar Mayan.

Sustainability: Progress on Objectives and Initiatives

Sustainability Targets

With the assistance of an expert GHG consultant, we evaluated GHG reduction paths and are developing a decarbonization roadmap, identifying reduction initiatives and prioritizing our action plan. We are incorporating Stellar Mayan into our GHG emissions calculations and intend to discuss our combined sustainability targets in subsequent reports.

Scope 3 Assessment

We conducted a detailed breakdown of scope 3 emissions. K-Bro's scope 3 emissions comprises six of the 15 categories described in the GHG protocol. The most significant sources of our scope 3 emissions were category 1: purchased goods & services and category 3: fuel and energy related activities. We intend to include scope 3 emissions in future reports and will work with our supply chains on reduction goals.

Indigenous Awareness

Our senior executive team, along with other members of management, completed indigenous awareness corporate training. We continue to evolve our indigenous relationships action plan, and our procurement team has also attended training and collaboration sessions to create and deepen indigenous relationships and explore ways to move forward together.

Review of Policies

We have reviewed our key enterprise-wide policies and are moving forward with updates to certain policies, including Environmental and Health & Safety to enhance alignment with our sustainability strategy around key topics. Our review allowed for regional collaboration to surface local best-practices and revise initiatives for platform-wide adoption.

Enterprise-wide Engagement Survey

Complementing local and facility level feedback, we conducted an enterprise-wide employee survey to ensure everyone has a voice. In 2024, the survey was translated into more than 20 languages and over 2,300 employee responses were collected. To ensure shared accountability and ownership, survey results are presented to all employees.

Dependable Laundry Conference

We hosted our enterprise-wide leadership conference, welcoming over 50 attendees from K-Bro's 18 facilities. In addition to celebrating our culture, we focused on sharing best practices, highlighting sustainability trends, supporting career development and collaborating on operational improvements.





Planet

Environment



People

Social



Partners

Governance

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Climate Related Scenario Modelling

We are proud to be a dependable partner to our stakeholders and believe resilience of our business model is vital to delivering on our commitment over the short, medium and long term. K-Bro has a robust business contingency planning process, which considers risks, including climate-related risks.

We have completed detailed facility level climate scenario modelling under three potential warming pathways: Proactive (global temperature increase of less than 2°C by 2100), Reactive (global temperature increase of 2-3°C by 2100), and Inactive (global temperature increase of more than 3°C by 2100). The potential warming pathways outline hypothetical scenarios to provide context for assessing operational resilience and mitigating potential risks to acceptable levels. The climate related scenario analysis considered geographic locations of each facility and potential impacts, including:

- Heatwaves and Rising Temperatures
- Extreme Weather
- Wildfires and Smoke
- Local Flooding
- Extreme Water Stress
- Rising Sea Levels
- Soil Aridity
- Water Discharge and Runoff

For additional details on K-Bro's risk management process, please refer to page 18 (Risk Management & Data Security).

ESG Maturity Assessment

We're proud of our seven decades of responsible, innovative growth. While delivering industry-leading service, we have embraced our responsibility to society. While we have made significant progress on environmental, social and governance matters as we work on further maturing our sustainability program and know we can accomplish even more together.

As part of our continuous improvement process, with a goal to prioritizing our future initiatives, we completed an ESG maturity assessment to review our progress on environmental, social and governance themes. Based on the assessment, we believe we have created a solid sustainability foundation to build upon. We have mapped our progress to mandatory and voluntary reporting standards and identified key areas to prioritize for the future. We will continue to monitor international standards and regulatory developments, specifically those in Canada and the UK. We are incorporating Stellar Mayan into our sustainability program and aligning our approaches and best practices.



Environment: GHG Emissions

Scope 1 and 2

We engaged an independent third-party consultant to assist in preparing our scope 1 and 2 greenhouse gas (GHG) emission calculations in accordance with the Greenhouse Gas Protocol. Excluding the Stellar Mayan acquisition, K-Bro's 2024 scope 1 emissions are 61,205 tCO2e and scope 2 emissions are 5,245 tCO2e. For additional details on methodology, please see page 5 (about this report).

Scope 3 Assessment

The independent third-party consultant is also engaged to assist us in evaluating and calculating our scope 3 GHG emissions. We conducted a detailed breakdown of scope 3 emissions. K-Bro's scope 3 emissions comprises six of the 15 categories described in the GHG protocol. The most significant sources of our scope 3 emissions were category 1: purchased goods & services and category 3: fuel and energy related activities. We intend to include scope 3 emissions in future reports and will work with our supply chains on reduction goals.

2024 Greenhouse Gas Details

178 $tCO_2e/\$M$
Scope 1 & 2 GHG Intensity

12%
2022-2024 Reduction in Scope 1 & 2 GHG Intensity

61K tCO_2e
Scope 1

5K tCO_2e
Scope 2

Note: Excludes Stellar Mayan and includes Shortridge from the date of acquisition.
Where acquired businesses are not certified, roadmaps to certification are developed.
For additional details on methodology, please see page 5 (about this report).



Evaluating Sustainability Targets

K-Bro is dedicated to taking further steps towards decarbonization. With the assistance of an expert GHG consultant, we evaluated GHG reduction paths and are developing a decarbonization roadmap and action plan. We are incorporating Stellar Mayan into our GHG emissions calculations and intend to discuss our combined sustainability targets in subsequent reports.

We are identifying and prioritizing actions to reduce our GHG footprint, and we are evaluating sustainability targets to assist in tracking year-on-year progress towards achieving our objectives. We have focused our efforts on reducing emissions by optimizing facility energy use, decarbonizing energy and reducing environmental impacts from fleet vehicles.

Note: Certifications exclude Stellar Mayan.

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Sustainability Competition

At our Dependable Laundry Conference, we kicked-off our 2025 sustainability competition, fostering team building while advancing our long-term strategy. Our competition specifically focused on putting people first and enhancing environmental stewardship. Our teams already engage in various sustainability initiatives, and our competition challenged each facility to further innovate and have some fun doing it.

Facility-based teams throughout our geographic footprint in Canada and the UK outlined both environmental and social projects to compete in a friendly contest and bring out our best in our employees across K-Bro. Teams collaborated and developed creative projects, and the progress and results will be tracked over the next year.

Environmental Challenge

The environmental challenge was conceived in recognition that each facility is different and has unique opportunities to embrace stewardship beyond enterprise-wide initiatives. Our teams developed a range of innovative environmental projects, including:

- End-of-life linen recycling and donations
- Rain collection, water reuse and reduction
- Expanded recycling initiatives
- Enhanced heat recovery and reuse technologies
- Reduction or elimination of single-use-plastics

Social Challenge

The community challenge celebrates social opportunities for our teams to champion local causes, support charities and deepen relationships, with employee sponsored projects and initiatives including:

- Local charities / team sponsorships
- Foodbank collections, support and volunteering
- Charity fundraising and volunteering
- Tree planting and community gardens
- Supporting local diversity and inclusion groups



Social: K-Bro Culture & Customers (Laundry Conference)

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2024 Dependable Laundry Conference

We hosted our enterprise-wide leadership conference, welcoming over 50 attendees from K-Bro's 18 facilities. In addition to celebrating our culture, we focused on sharing best practices, highlighting sustainability trends, supporting career development and collaborating on operational improvements. Our conference incorporated over 20 presentations and collaboration sessions:

- Customers, community outreach and partnership
- 'Game Changers' best practice sharing
- Sustainability keynote speakers
- Strategy and motivational frameworks





Social: K-Bro Culture & Customers (Laundry Conference Continued)

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Sustainability Keynote Speakers

Our enterprise-wide conference is an opportunity to provide updates on the latest sustainability trends, align around our targets & objectives, and collaborate on opportunities to drive further innovation. We were proud to host five sustainability focused keynote speakers that addressed topics aligned with our people, partners and planet pillars:

K-Bro's Sustainability Roadmap

Overview of sustainability trends, stakeholder feedback, objectives & targets, key milestones, strategy update and team collaboration

Net Zero for the Laundry Industry

Detailed discussion on paths to net zero, including industry benchmarking, case studies and outlook for innovative technologies

Water Sustainability

Reducing and managing water resources while maintaining healthy aquatic ecosystems and the role technology can play in water conservation

Future of Sustainable Hygiene Validation

Advances in lab testing methods are creating opportunities to further optimize and reduce resource usage while exceeding hygiene standards

Everyone Included

Workfit matches jobseekers who have Down's Syndrome with employers, providing support at all stages of the process (K-Bro is a proud partner)

GAMECHANGERS

Our talented team of operators have decades of experience. 'Game Changers' are one of the ways we share best practices across our management team. We present insights from our team related to furthering our ESG objectives aligned with our people, partners and planet pillars, including:

- Customer service & satisfaction
- Training & talent development
- Application of new technologies
- Sustainable growth strategies

DEPENDABLE LAUNDRY CONFERENCE 2024

Customer Performance Principles

Our team is relentlessly focused on customer satisfaction. We practice continuous improvement, and our conference is another opportunity to collaborate on approaches to further enhance our performance principles, including:

- Fill Rates
- Responsiveness
- Health & Safety
- Quality Assurance
- On-time Delivery
- Contingency Planning

97%
Five-Year Average Customer Contract Retention(1)

(1) Shortridge, CM and Stellar Mayan not included.

Social: Diversity and Employee Engagement

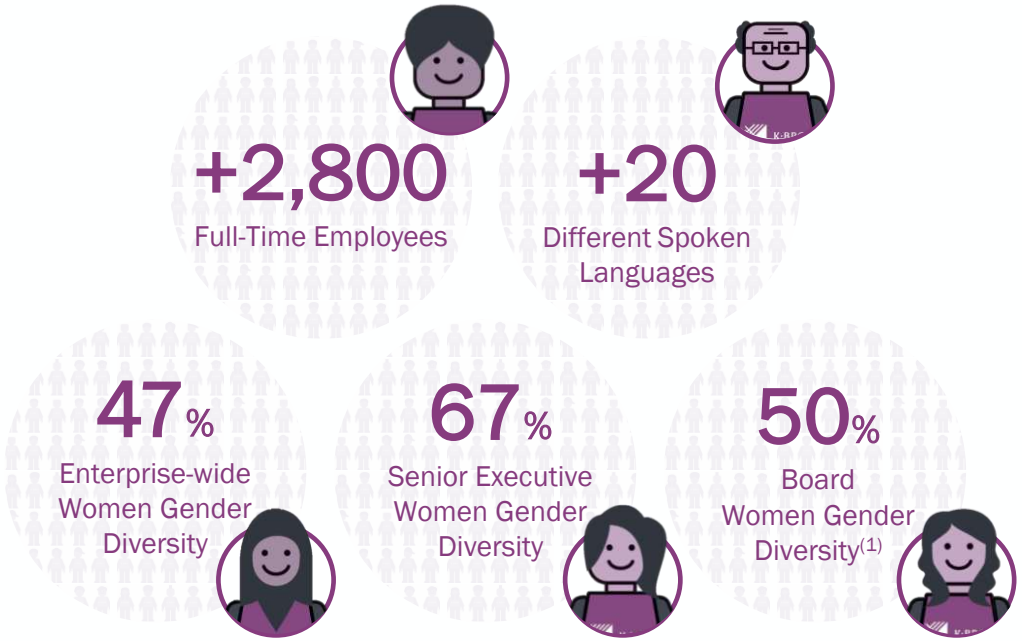
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Workplace Diversity

K-Bro's diversity policy and principles are part of our commitment to equality throughout recruitment, development and retention initiatives and help us attract and develop our team. For additional details on workforce diversity & engagement related SASB responses, please refer to pages 25 to 28 (SASB Responses).

Labour and Human Rights

K-Bro promotes human rights within our business and throughout our supply chains and does not condone the use of modern slavery of any kind, in any place. We are taking steps to contribute to global efforts to combat modern slavery. For additional details on annual modern slavery compliance and reporting, please refer to page 19 (Supplier Code & Modern Slavery Compliance).



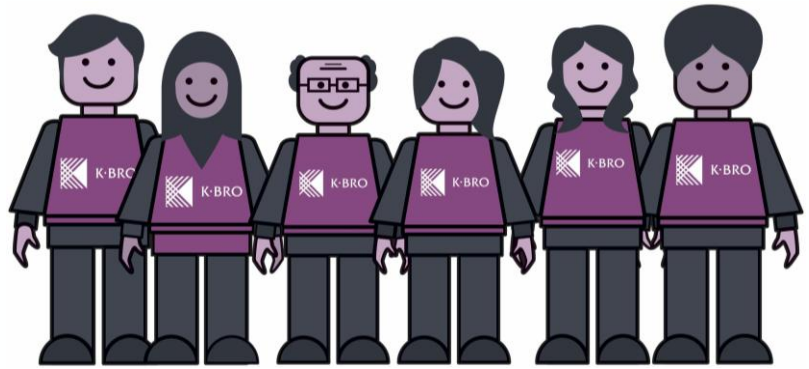
Employee Engagement

We're proud of our talented, diverse and motivated workforce of over 2,800 people who share K-Bro's values and represent the communities in which we live. We have always prioritized hiring and retaining the right workforce. Our corporate culture defines how we do business, and our team embraces shared values including; dependability, kindness, collaboration, inclusion, ethics, safety and sustainability.

We believe our team achieves its full potential in an inclusive workplace, where everyone's opinions are valued. With this in mind, we facilitate formal and informal 360-degree feedback to drive continued improvement together.

Employee Survey

K-Bro's enterprise-wide employee survey is a means to ensure everyone has a voice and can provide confidential feedback. In addition to survey questions, written comments are encouraged. In 2024, the survey was translated into more than 20 languages and over 2,300 employee responses were collected. To ensure shared accountability and ownership, survey results and feedback are presented to all employees.



Note: Excludes Stellar Mayan. Enterprise-wide other and not disclosed represent less than 0.5%
(1) 50% reflects the addition of the Honorable Rona Ambrose to the Board on November 5, 2025. Prior to Ms. Ambrose joining the Board, the Board women gender diversity was 40%.

Governance: Board, Business Ethics & Integrity

Governance Overview and Approach

K-Bro's Board of Directors is majority independent (5 of 6 Directors are independent) and 50% of Directors are women[1]. The President & CEO is not independent. The Board takes a holistic approach to corporate governance and monitors significant developments in both risks and opportunities. The Board upholds its duties directly, and through its committees which assist the Board in overseeing select topics. The Board oversees K-Bro's environmental, social and governance program and ensures its effective implementation. For additional details on sustainability governance structure, please refer to page 7 (K-Bro's ESG Team).

Board Committees and Corporate Policies

Audit Committee: Oversees the policies and procedures designed to manage and mitigate risks across the company and ensure compliance with legal and regulatory requirements. These include controls to ensure the integrity of accounting, financial and other reporting.

Compensation, Nominating & Corporate Governance (CNCG) Committee: Oversees engagement and compensation of senior management, assessment of Board member candidates and the adequacy of corporate governance and compliance practices.

K-Bro's corporate governance policies were developed to ensure the Company's business is effectively managed in support of strong stakeholder relationships and enhanced shareholder value, and include:

- Business Conduct and Ethics
- Insider Trading
- Whistleblowing
- Majority Voting

Corruption, Bribery and Ethics Assessment

K-Bro operates in the laundry and linen industry, which is not an industry prone to high corruption risk. We have national platforms in Canada and the United Kingdom, both countries have low corruption perception risks. However, corruption risk exists across all business sectors, and we have reviewed potential ethical risks to the Corporation. To support K-Bro's ethical practices, we have aligned our ethics management system with the United Nations Global Compact principles. We practice continuous improvement principles, conduct periodic assessments and implement actions to further strengthen our ethics management systems.

Enterprise-Wide Risk Register

We maintain a risk register to monitor and mitigate material risks to the business. Our objective, where feasibly possible, is to mitigate the potential impact of risks to acceptable levels. Responsible Business Practices and Supply Chain, which includes operating ethically, was assigned a medium risk rating. K-Bro has implemented control measures to mitigate potential risks to acceptable levels, including: maintaining appropriate policies and procedures; onboarding training; internal review and approval procedures; periodic enterprise-wide ethics assessments; monitoring regulatory trends; monitoring and reporting SASB ethics metrics; compliance preparation; and, regular engagement with industry associations and consultants.

Monitoring and Reporting

In 2024, K-Bro had no whistleblower reports. We track and report ethics-focused Sustainability Accounting Standards Board (SASB) metrics, including Professional Integrity (SV-PS-510a.1 and SV-PS-510a.2) and Business Ethics (HC-MS-510a.1, HC-MS-510a.2, HC-DI-510a.1 and HC-DI-510a.2). For additional details on ethics related SASB responses, please refer to pages 25 to 28 (SASB Responses).

(1) 50% reflects the addition of the Honorable Rona Ambrose to the Board on November 5, 2025. Prior to Ms. Ambrose joining the Board, the Board women gender diversity was 40%.

Governance: Risk Management & Data Security

Approach to Risk Management

K-Bro's Board oversees a holistic approach to risk management for all stakeholders. We maintain a risk register to monitor and mitigate material risks of the business, which includes climate related risks. Risks are reviewed on an ongoing basis and assessed against criteria related to potential impact and likelihood. We have also implemented processes to identify and assess emerging risks that may arise across longer time horizons. Our objective, where feasibly possible, is to mitigate the potential impact of risks to acceptable levels.

Business Contingency Planning

K-Bro's senior management team establishes and monitors our enterprise-wide risk management processes, including our business contingency planning process, which are designed to mitigate operational, business, climate and other risks. The ESG steering committee and working group support senior management in identifying, assessing and managing climate related risks, in support of our enterprise-wide risk management processes. We have developed a variety of resiliency strategies to address and mitigate potential business disruptions. Examples of select resiliency strategies include:

- Staffing Contingencies
- Reserve Inventory
- Equipment Redundancy
- Emergency Back-ups
- Supply Resilience from K-Bro National Footprints
- Mobilizing subject experts to support local teams

Data Security

K-Bro relies on integrated computer systems, including third party systems, to manage operations, process transactions and maintain data. We collect limited customer information, required in the normal course of business, which we do not consider to be sensitive in nature. We take data security seriously and use software programs to identify potential data securities risks and perform analysis of the system updates. We audit and review our processes for potential enhancements and conduct security maintenance, which includes system patches, among other security efforts. For additional details on data security related SASB responses, please refer to pages 25 to 28 (SASB Responses).

Enterprise-Wide Cybersecurity Program

Our cyber security steering committee oversees responsibilities of our cybersecurity program and provide updates to K-Bro's Board. Our cross functional team, which includes our Director of IT and our Security Systems Administrator, meets quarterly. As part of our continuous improvement process, we have engaged an expert cybersecurity consultant to assist K-Bro to further enhance our program to scale with our business as we grow.

0 Data Breaches	**0** Customers Impacted
0% Confidential Personal Data Exposed	**0%** Confidential Customer Data Exposed



Governance: Supplier Code & Modern Slavery Compliance

Supplier Code of Conduct

As an essential service provider, our healthcare and hospitality customers rely on our linens daily to operate their businesses. Our suppliers are critical to delivering on our vision of providing industry leading service as a good corporate citizen. We collaborate with our suppliers around common goals of enhancing environmental, social and governance performance and we focus on developing trusting, long-term, sustainable relationships.

K-Bro's significant supplier categories include delivery, electronics, equipment, linens, utilities and vehicles, among others. We developed our Supplier Code of Conduct ("Supplier Code") to reinforce our responsible supply chain principles. We seek responsible partners that are dependable, act with integrity, embrace innovation, practice inclusion and work together with our team.

In 2024, we updated our Supplier Code to enhance alignment with our long-term sustainability strategy of putting people first, being dependable partners and environmental stewardship. We set out minimum standards around key topics and encourage our suppliers to collaborate with us and strive to exceed these standards. Key topics of our Supplier Code include the following:

- Compliance with Laws, Rules and Regulations
- Prohibition of forced labour, child labour & modern slavery
- Health and Safety
- Environmental Stewardship
- Human Rights, Diversity, Equity and Inclusion
- Conflicts of Interest, Bribery & Corruption

Supply Chain Modern Slavery Prevention

K-Bro does not condone the use of modern slavery of any kind, and we are taking steps to contribute to global efforts to combat modern slavery. Pursuant to regulations in Canada (Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act 2024) and the United Kingdom (United Kingdom's Modern Slavery Act 2015) we publish annual modern slavery reports which can be found on our websites.

K-Bro Supply Chain Risk Management

K-Bro has a large number of suppliers, and we mapped our activities and significant supply chains to assist in evaluating categories that are 'at-risk' of modern slavery. We have reviewed the Organization for Economic Co-operation and Development (OECD) guidance on responsible business conduct and adopt a risk-based approach to supply chain due diligence.

We did not identify direct activities within our business 'at-risk' of modern slavery. Based on K-Bro's current state assessment, the Linen category (which includes both garments and textiles) was identified as the highest risk of potential supply chains forced or child labour. K-Bro has a long history working with its significant linen suppliers and works closely with suppliers to confirm ongoing alignment with our criteria. In the normal course, inquiries, periodic on-site visits and other confirmatory audits are conducted, among other supplier due diligence efforts.

In 2024, as part of our Supplier Code update, we included a prohibition of forced labour, child labour and any other forms of modern slavery within supply chains. We informed our linen suppliers and had them sign affirmations confirming their understanding of the Supplier Code and agreement to monitor compliance of their operations. In 2024, we did not identify any incidents of forced labour or child labour in our supply chains and our linen suppliers representing over 97% of K-Bro's annual linen spend signed affirmations of their compliance with our Supplier Code.

Note: K-Bro's Modern Slavery Act Report can be found <https://www.k-brolinen.com/company> under 'Governance Documents'
Fishers' Slavery and Human Trafficking Statement can be found <https://www.fisherslaundry.co.uk/ourcompany> under 'Modern Slavery Statement'



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Taskforce on Climate-related Financial Disclosures

The Taskforce on Climate-related Financial Disclosures (TCFD) was created by the Financial Stability Board (FSB) to recommend the types of information companies should disclose for investors, lenders and underwriters. TCFD monitoring responsibilities were transferred to the IFRS ISSB from 2024. Our responses for 2024 (v0October2021) are outlined below.

Topic	Disclosures	Response
Governance	a) Describe the board's oversight of climate related risks and opportunities.	Strong corporate governance is a priority for K-Bro. The Board takes a comprehensive approach to climate oversight and monitors significant developments in related risks and opportunities. The Board oversees K-Bro's environment, social and governance program and ensures its effective implementation. K-Bro's ESG Team provides regular updates on strategy, risk management, monitoring and reporting initiatives. For additional details on K-Bro's Board of Directors and its corporate governance practices, please refer to p.17 (Board, Business Ethics & Integrity).
	b) Describe management's role in assessing and managing climate related risks and opportunities.	Management recognizes that climate related risks and opportunities are complex and multi-faceted and require attention across different time horizons. Management actively engages with stakeholders around material topics, risks and opportunities and monitors trends within the industry and potential impacts on our business. K-Bro has established an ESG Steering Committee, which is responsible for managing day-to-day responsibilities of our ESG program. For additional details on K-Bro's approach to managing ESG, please refer to p.7 (K-Bro's ESG Team and Material Topics).
Strategy	a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.	For a description of climate related risks and opportunities and their respective impacts on our business and planning, please refer to p.23 (Climate-related risks) and p.24 (Climate-related opportunities).
	b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	For a description of climate related risks and opportunities and their respective impacts on our business and planning, please refer to p.23 (Climate-related risks) and p.24 (Climate-related opportunities).
	c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including 2°C or lower scenario.	We are proud to be a dependable partner to our stakeholders and believe resilience of our business model is vital to delivering on our commitment. We have a robust business contingency planning process, which takes into account risks, including climate-related risks. We have completed detailed facility level climate scenario modelling under three potential warming pathways which outline hypothetical scenarios to provide context for assessing operational resilience and mitigating potential risks to acceptable levels. Please refer to p.11 for additional details (Climate Scenarios & ESG Maturity Assessment)

Appendix: TCFD Responses (Continued)

Topic	Disclosures	Response
Risk Management	a) Describe the organization's processes for identifying and assessing climate related risks.	K-Bro's senior management team establishes and monitors our enterprise-wide risk management processes, including our business contingency planning process, which are designed to mitigate operational, business, climate and other risks. The ESG steering committee and working group support senior management in identifying, assessing and managing climate related risks, in support of our enterprise-wide risk management processes. Our ESG Team includes diverse subject matter expertise with enterprise-wide local market representation. For additional details, please refer to p.7 (K-Bro's ESG Team).
	b) Describe the organization's processes for managing climate related risks.	We assess and implement fit-for-purpose processes to manage specific climate related risks. For additional details related to climate related risks and actions taken to mitigate, please refer to p.23 (Climate-related risks).
	c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.	Climate related risks are incorporated in our enterprise-wide risk management processes. We maintain a risk register to monitor and mitigate material risks of the business, which includes climate related risks. Risks are reviewed on an ongoing basis and assessed against criteria related to potential impact and likelihood. We have also implemented processes to identify and assess emerging risks that may arise across longer time horizons and have completed detailed facility level climate scenario modelling under three potential warming pathways. Our objective, where feasibly possible, is to mitigate the potential impact of risks to acceptable levels.
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	We are committed to ongoing assessments of climate related risks and opportunities and will continue to refine our process for identifying relevant metrics. Among other metrics, we track climate related SASB metrics. For additional details on climate related SASB responses, please refer to p.28 for (Fleet Fuel Management) SV-HL-140a.1, and (Product Lifecycle Management) HC-DI-410a.1.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Scope 1: 61,205 tCO2e Scope 2: 5,245 tCO2e For additional details related to climate related risks and actions taken to mitigate, please refer to p.23 (Climate-related risks).
	c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	As part of K-Bro's Clean Green and ISO 14001 certifications, we adhere to strict industry standards for water and energy conservation and intend to continue to meet these targets. K-Bro is dedicated to taking further steps towards decarbonization. With the assistance of an expert GHG consultant, we evaluated GHG reduction paths and are developing a decarbonization roadmap and action plan. We are incorporating Stellar Mayan into our GHG emissions calculations and intend to discuss our combined sustainability targets in subsequent reports.

Appendix: Climate-Related Risks

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Category	Type	Risks Summary	K-Bro Actions to Mitigate	Time Horizon
Climate-Related Transition Risks	Policy & Legal	▪ Increased compliance costs	Changing sustainability-related reporting requirements, including additional focus on supply chain and scope 3 emissions, may result in more granular and frequent reporting updates. Enhanced emissions-reporting obligations and related regulations may result in higher compliance costs. These risks are mitigated through monitoring regulatory trends, compliance preparation, and regular engagement with industry associations and consultants.	Medium-term
	Technology	▪ Costs to transition to lower emissions technology ▪ Unsuccessful investment in new technologies	Shifts in technology to support a carbon neutral economy may result in increasing demand for energy-efficient technology upgrades. Technology risk is mitigated through ongoing investment in proven highly energy-efficient technologies, being technology fast-followers rather than technology pioneers, partnering with credible world class suppliers and our commitment to continuous improvement in operational and energy efficiency.	Medium-term
	Market	▪ Increased input prices ▪ Energy price volatility ▪ Supply chain disruptions	Increasing production costs related to higher input prices, volatile energy costs and supply chain disruptions may negatively impact results. Market risk is mitigated through adoption of energy-efficient technology, relying on third-party experts for hedging, supply chain diversification and business contingency planning.	Short-term
	Reputation	▪ Customer demand for enhanced environmental stewardship ▪ Impacts to employee attraction and retention from perception of commitment to ESG	Public and/or private customers and employee sustainability priorities may change. K-Bro's reputation may be damaged if stakeholders do not believe in our commitment to long-term sustainability, which could negatively impact revenue and labour availability. Reputational risk is mitigated through our ongoing commitment to environmental stewardship and our long-term sustainability program, engagement of expert consultants and adoption of ESG frameworks.	Medium-term
Climate-Related Physical Risks	Acute	▪ Operational disruption from weather ▪ Higher cost of vacancies, absenteeism and health & safety	Operational disruption from severe weather may result in higher costs related to difficulties in delivery, supply chain disruptions and increased absenteeism. These risks are mitigated through ongoing business contingency planning, preemptive continuity planning with customers, facility site-selection and site planning, and to a certain extent business-interruption and property insurance.	Short-term
	Chronic	▪ Increased costs related to required heating and cooling ▪ Increased frequency of extreme weather	Increasing frequency of extreme weather, increasing costs related to heating and cooling and weather-related operational disruptions may result in higher operating costs. In addition to steps taken to mitigate acute risks, chronic risks are mitigated through long-term risk assessments, climate-related scenario analysis, and incorporating highly energy-efficient considerations and designs into operations.	Long-term

Appendix: Climate-Related Opportunities

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Category	Type	Opportunity Summary	K-Bro Actions to Achieve	Time Horizon
Climate-Related Opportunities	Resource Efficiency	▪ More efficient modes of transport ▪ Reduced water and energy usage ▪ Expanded end of life recycling	Advances in fuel efficient or electric vehicles, new proven technologies to further reduce water and energy usage and expanded end of life recycling may contribute to reduced operating costs. Actions to achieve include monitoring fuel efficient and electric vehicle trends for optimal time to pilot initiatives, piloting new proven technologies for enhanced water and energy conservation and assessing enhanced end of life recycling alternatives.	Short-term
	Energy Source	▪ Use of new technologies ▪ Shift toward decentralized energy generation	Continued trends towards decentralized energy generation, such as cost and energy efficient on-premise solar, may present opportunities to reduce or diversify energy sources while lowering costs. Actions to achieve include ongoing monitoring and evaluation of decentralized energy generation (i.e. solar, geothermal, hydrogen technology) for piloting and potential deployment at facilities.	Long-term
	Product & Service	▪ Continued trend to replace disposable products with reusable alternatives ▪ Continued trend toward outsourcing non-core processes	Shift in consumer preferences away from disposable products may increase demand for reusable alternatives. Trends in outsourcing inefficient non-core on-site processing may accelerate as customers seek to achieve their own sustainability objectives. These opportunities may contribute to increasing revenue. Actions to achieve include continued investment in state-of-the-art equipment and commitment to our sustainability program.	Short-term
	Markets	▪ Access to new markets, including home rentals (i.e., Airbnb, Vrbo) and regional market care-home beds	Emergence of new markets, and delivery models, may expand addressable market and enhance core growth opportunities. Actions to achieve include ongoing evaluation of new markets and delivery models (i.e. linen hubs that have been successfully deployed in other similar geographies), and assessment of meaningful regional opportunities that align with K-Bro's industry leadership and value proposition.	Medium-term
	Resilience	▪ Supply chain resilience	Enhanced supply chain resilience may increase demand and encourage customers to switch to K-Bro in support of long-term dependable service throughout various market conditions. Actions to achieve include ongoing business contingency planning, evaluation and spec out of diverse suppliers, auditing of supply chain and supplier resilience assessments.	Medium-term

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Sustainability Accounting Standards Board

The Sustainability Accounting Standards Board (SASB) standards outline industry-based sustainability disclosures related to risks and opportunities that impact enterprise value. In 2022, SASB was consolidated into the IFRS Foundation to help establish the ISSB. Our responses for 2024 are outlined below (v2023-12).

Topic	Accounting Metric	Category	Unit	Code	Response
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	SV-PS-230a.1	K-Bro uses software programs to identify potential data securities risks and perform analysis of the system updates. We audit and review our processes for potential enhancements and conduct security maintenance, which includes system patches, among other security efforts. As part of our continuous improvement process, we have engaged an expert cybersecurity consultant to assist K-Bro to further enhance our program to scale with our growing business.
	Description of policies and practices relating to collection, usage, and retention of customer Information	Discussion and Analysis	n/a	SV-PS-230a.2	K-Bro collects limited customer information, required in the normal course of business, which we do not consider to be sensitive in nature. K-Bro uses software programs to identify potential data securities risks and perform analysis of the system updates. We audit and review our processes for potential enhancements and conduct security maintenance, which includes system patches, among other security efforts.
	(1) Number of data breaches, (2) percentage that (a) involve customers' confidential business information and (b) are personal data breaches, (3) number of (a) customers and (b) individuals affected	Quantitative	Number, Percentage (%)	SV-PS-230a.3	(1) 0 (2) (a) 0% (b) 0% (3) (a) 0 (b) 0
Workforce Diversity & Engagement	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, and (c) all other employees	Quantitative	Percentage (%)	SV-PS-330a.1	(a) Executive Management (1) Gender: 67% Female / 33% Male / 0% Other or not disclosed (2) Diversity Group: 100% White / 0% Other or not disclosed (b) Non- Executive Management (1) Gender: 20% Female / 80% Male / 0% Other or not disclosed (2) Diversity Group: 5% Asian / 65% White / 30% Other or not disclosed (c) All Others (1) Gender: 47% Female / 53% Male / 0% Other or not disclosed (2) Diversity Group: 40% Asian / 20% Black or African American / 3% Hispanic or Latino / 33% White / 4% Other or not disclosed

Appendix: SASB Responses (Continued)

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Topic	Accounting Metric	Category	Unit	Code	Response
Workforce Diversity & Engagement	(1) Voluntary and (2) involuntary turnover rate for employees	Quantitative	Rate	SV-PS-330a.2	Voluntary turnover: 16% Involuntary turnover: 10% Note: Turnover rates are reported for the year, based on employees who have successfully completed 90-day probationary periods.
Professional Integrity	Description of approach to ensuring professional integrity	Discussion and Analysis	n/a	SV-PS-510a.1	K-Bro is committed to the highest standards of professional integrity. Our enterprise-wide Code of Business Conduct and Ethics (the "Code"), along with Insider Trading and Whistleblower policies cover a wide range of business practices and situations, setting out basic principles to guide all directors, officers and employees. The Code also outlines compliance procedures to ensure prompt and consistent action against violations.
	Total amount of monetary losses as a result of legal proceedings associated with professional Integrity	Quantitative	Reporting Currency	SV-PS-510a.2	$0
Employees	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	Quantitative	Number	SV-PS-000.A	Full time: 2,890 Temporary: 0 Contract: 0
Employee Hours	Employee hours worked, percentage billable	Quantitative	Hours, Percentage (%)	SV-PS-000.B	5,704,909 hours 0% billable Note: Total hours are calculated based on actual hours worked for hourly employees and 40 hours per week for salaried employees.

Appendix: SASB Responses (Continued)

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Topic	Accounting Metric	Category	Unit	Code	Response
Supply Chain Management	Description of efforts to maintain traceability within the distribution chain	Discussion and Analysis	n/a	HC-MS-430a.2	K-Bro uses various technologies to maintain traceability within our distribution chain. We tailor solutions to meet the needs of each market and product line. K-Bro uses purpose-built software, barcode technology and Radio Frequency Identification (RFID) tagging to support the highest standards for tracking and tracing accuracy.
Supply Chain Management	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	HC-MS-430a.3	Management of risks associated with the use of critical materials are incorporated in our enterprise-wide risk management processes. Textiles, water, energy, chemicals and replacement equipment parts are critical materials for our business. K-Bro employs a variety of strategies to manage potential risks, including diversification of suppliers, reserve inventory, stockpiling of materials and equipment redundancy.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting currency	HC-MS-510a.1	$0
Business Ethics	Description of code of ethics governing interactions with health care professionals	Discussion and Analysis	n/a	HC-MS-510a.2	K-Bro is committed to the highest standards of professional integrity. Our enterprise-wide Code of Business Conduct and Ethics (the “Code”) covers a wide range of business practices and situations, setting out basic principles to guide all directors, officers and employees. These principles govern interactions with health care professionals. The Code also outlines compliance procedures to ensure prompt and consistent action against violations.
Labour Practices	Description of policies and programmes to prevent worker harassment	Discussion and Analysis	n/a	SV-HL-310a.4	K-Bro has implemented workforce diversity practices to, among other things, remove barriers to diversity and ensure equal employment opportunities. K-Bro does not tolerate discrimination or harassment of any kind. Our enterprise-wide Code of Business Conduct and Ethics (the “Code”) covers discrimination and harassment. The Code also outlines compliance procedures to ensure prompt and consistent action against violations.

Appendix: SASB Responses (Continued)

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Topic	Accounting Metric	Category	Unit	Code	Response
Fleet Fuel Management	Description of efforts to reduce the environmental impact of logistics	Discussion and Analysis	n/a	HC-DI-110a.2	K-Bro has achieved Clean Green and ISO 14001 certifications, which include various practices to reduce the environmental impact of logistics. Our practices include maintaining a modern fleet, including plug-in hybrid vehicles and employing logistics software to optimize routes and enhance fuel efficiency. We evaluate opportunities to adopt Hybrid and EV vehicles, where feasible. In the UK we've switched our company car fleet to plug-in hybrid vehicles.
Product Lifecycle Management	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	HC-DI-410a.1	Our circular business model includes delivering clean linens to customers and picking up used items to be washed and returned. We offer customers options for delivery of clean linens in covered reusable containers. Where healthcare customers require polyethylene packaging for hygiene reasons, we use recyclable packaging. We work with customers to evaluate alternatives to eliminate packaging and are committed to eliminating single-use plastics.
Business Ethics	Description of efforts to minimize conflicts of interest and unethical business practices	Discussion and Analysis	n/a	HC-DI-510a.1	K-Bro is committed to the highest standards of professional integrity. Our enterprise-wide Code of Business Conduct and Ethics (the "Code"), along with Insider Trading and Whistleblower policies cover a wide range of business practices and situations, setting out basic principles to guide all directors, officers and employees. The Code also outlines compliance procedures to ensure prompt and consistent action against violations.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption, or other unethical business practices	Quantitative	Reporting currency	HC-DI-510a.2	$0

Appendix: K-Bro Mapping to UN SDGs

The United Nations Sustainable Development Goals

We embrace our opportunity to support a more sustainable future and believe our priorities and initiatives align with six of the United Nations Sustainable Development Goals (SDGs). The aligned targets and K-Bro actions are detailed in the table below.

SDG	Aligned Targets	K-Bro Actions
	5.1 Gender equality and non-discrimination 5.c Policies to promote gender equality and the empowerment of women	K-Bro has implemented workforce diversity practices to, among other things, remove barriers to diversity, ensure equal employment opportunities, eliminate unconscious bias and improve representation of females and minorities. We have also updated our supplier code of conduct and ensure suitable gender, labour and human rights policies, among others, are in place to address a broad spectrum of working conditions within our supply chain.
	6.3 Improve wastewater treatment, recycling and safe reuse 6.4 Increase water-use efficiency and ensure sustainable withdrawals	K-Bro innovates in developing water and energy-efficient cleaning and drying systems. We use highly-efficient tunnel washers, requiring approximately half the water of a traditional washer system, and the latest technology in water extraction by means of centrifugal extractors or large hydraulic presses. K-Bro has achieved Clean Green and ISO 14001 certifications and adheres to strict water conservation standards, among other criteria. All wastewater is safely treated in accordance with regulations.
	9.4 Upgrade industry for sustainability and efficiency 9.5 Upgrade industrial technological capabilities	K-Bro invests in state-of-the-art, energy efficient technology from world-class manufacturers. Among our advanced processing equipment, we use highly efficient tunnel washers equipped with microprocessor that conserve water and optimize both temperature and use of environmentally-friendly cleaning solutions. After washing, the latest technology in water extraction and drying is used. We've also installed heat recovery and energy conserving daylight harvesting systems.
	11.3 Enhance inclusive and sustainable urbanization 11.6 Reduce adverse environmental impacts of cities	K-Bro embraces sustainable urbanization combining economies of scale and the most operating and energy efficient technology with fit-for-purpose industry best practices. We have constructed multiple purpose-built highly-efficient state-of-the-art facilities in the largest urban markets to support responsible growth. In addition to our largest urban facilities, we continuously invest in all our facilities to improve operating and energy efficiencies and adhere to strict energy and water standards for conservation.
	12.5 Substantially reduce waste generation 12.6 Encourage companies to adopt sustainable practices and sustainability reporting	K-Bro undergoes independent auditing and validation of our commitment to meeting strict water and energy consumption, minimizing landfill waste and emissions, ensuring route optimization, and several other criteria. We support and align our sustainability efforts to established and recognized frameworks and standards, including TCFD and SASB. We are committed to transparency and governance best practices and are proud to publish annual sustainability reports.
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards 13.2 Integrate climate change measures	K-Bro implements Best Management Practices (BMPs) in our processes, systems and procedures for reusing, reclaiming and recycling resources, and adheres to industry water and energy standards for conservation. BMPs include, but are not limited to, heat recovery technology, water reuse technology, fleet vehicle route optimization, environmentally friendly chemical use, energy efficient lighting and recycling programs. We are committed to continuous improvement in operating and energy efficiencies.

Appendix: Additional Information

Abbreviations and Acronyms

- **CNCG**: Compensation, Nominating & Corporate Governance
- **Code:** K-Bro's Code of Business Conduct and Ethics (the "Code")
- **CSDS**: Canadian Sustainability Disclosure Standards
- **CSSB:** Canadian Sustainability Standards Board
- **DE&I**: Diversity, Equity & Inclusion
- **ESG**: Environment, Social and Governance
- **FSB**: Financial Stability Board
- **GHG**: Green House Gas
- **HLAC**: Healthcare Laundry Accreditation Council
- **IFRS**: International Financial Reporting Standards
- **ISO**: International Organization for Standardization
- **ISSB**: International Sustainability Standards Board
- **(L):** Liter
- **(lb):** Pound
- **OECD:** The Organization for Economic Co-operation and Development
- **PPE**: Personal Protective Equipment
- **RFID**: Radio Frequency Identification
- **SASB**: Sustainability Accounting Standards Board
- **SDG**: Sustainable Development Goals
- **TCFD**: Taskforce for Climate-Related Financial Disclosure
- **(tCO_2e):** tonnes (t) of carbon dioxide (CO_2) equivalent (e)
- **TRSA**: Textile Rental Services Association



Appendix: Sustainability Data Summary Table

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Topic	Metric/Unit	2022	2023	2024
Financial/Operational				
Revenue	Canadian dollars (millions)	$277 million	$321 million	$374 million
Adj. EBITDA	Canadian dollars (millions)	$37 million	$58 million	$72 million
People				
Board Gender Diversity	Percentage	40% Female / 60% Male	40% Female / 60% Male	50% Female[5] / 50% Male
Senior Executive Gender Diversity[1]	Percentage	67% Female / 33% Male	67% Female / 33% Male	67% Female / 33% Male
Enterprise-wide Gender Diversity[2]	Percentage	49% Female / 51% Male	49% Female / 51% Male	47% Female / 53% Male
Planet				
GHG emissions - Scope 1	tCO2e	51,612 tCO2e	53,984 tCO2e	61,205 tCO2e
GHG emissions - Scope 2	tCO2e	4,439 tCO2e[3]	4,618 tCO2e	5,245 tCO2e
Scope 1 & 2 GHG Intensity	tCO2e / revenue $ millions	$203[4]	$183	$178

(1) Reflects senior management vs. SASB SV-PS-330a.1 executive management
(2) Reflects enterprise-wide employees vs. SASB SV-PS-330a.1 all other employees
(3) Restated to 4,439 from 5,511 to correct emission factors
(4) Restated to $203 from $206 to correct emission factors
(5) 50% reflects the addition of the Honorable Rona Ambrose to the Board on November 5, 2025. Prior to Ms. Ambrose joining the Board, the Board women gender diversity was 40%.

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