



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT REPORT FOR **HORIBA INSTRUMENTS INCORPORATED**

Introduction

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") went into effect as of January 1, 2024, instituting financial year reporting requirements of certain entities to increase transparency to help prevent and reduce the risk that forced labor or child labor is used in the supply of goods produced in Canada or elsewhere, or imported into Canada.

This report ("Report") is made by HORIBA Instruments Incorporated ("HII") for the financial year ended December 31, 2023. This report is responsive to the requirements of the Act as to HII's actions to prevent and reduce the risk that child labor, forced labor or human trafficking is used in our supply chain. The information below may possibly overlap with other reporting obligations if determined HII is required to report under regulations similar to the Act, such as the California Transparency in Supply Chains Act of 2010 or the U.K. Modern Slavery Act of 2015.

Our Structure and Activities

HII, a corporation headquartered in the United States, provides an array of analysis instruments and solutions principally involving industries of automotive emission testing, process and environmental monitoring, in-vitro medical diagnostics, semiconductor manufacturing and metrology to scientific R&D and QC measurements under the HORIBA brand (www.horiba.com) primarily in the Americas, including through our subsidiaries in Canada and Brazil.

As part of the group of worldwide companies under global parent, HORIBA, Ltd. (the "HORIBA Group"), we are committed to being a "good corporate citizen" and conducting business in an ethical manner, in compliance with applicable laws and respecting labor and human rights. We do not tolerate child labor, forced labor, debt labor or any form of human trafficking.

Our Supply Chains

Although many suppliers of goods and services for our products for sale include or are funneled through the HORIBA Group, HII may directly source suppliers for locally produced products, or for when we add supplies in the local assembly of HORIBA products. In that context, we may procure many parts and materials. Although, outside our group companies, we largely use US suppliers for parts, assemblies, services and our operations, our procurement teams rely on a diverse pool of suppliers, from local businesses to foreign part suppliers to global companies.

Policies And Due Diligence Processes

HII is committed to ethical business practices and expects our employees and other staff, directors, agents and suppliers to act in an ethical manner and comply with laws, regulations and rules applicable to, and where, business is being conducted and operated. As instances arise where these expectations are not met, we will strive to respond in an appropriate manner.

HII requires our personnel to adhere to the HORIBA Group Code of Ethics, which is published on the group's corporate website ([Code of Ethics](#)). In addition to outlining rules for respecting labor and human rights and the safety and wellbeing of workers in compliance with applicable laws and social norms, the Code of Ethics allows for no tolerance of child labor, forced labor, debt labor or human trafficking, and requires the prompt investigation of human rights violations and the taking of strict measures to assist the victims and prevent recurrence. In 2023, HII updated our code of conduct to further reflect the Code of Ethics (together, codes) and requires personnel to strictly comply with the codes and to report violations, with available reporting through use of an independent whistleblower hotline. Violators of the codes are subject to disciplinary action, including but not limited to, termination of employment.

Our procurement teams aim to align our supplier management practices under direction of the HORIBA Group procurement policy ([Group Procurement Policy](#)) and the [Code of Ethics](#), which are found on the group's corporate website, to reduce potential for among other things, corruption, environmental harm, as well as human rights or labor rights violations in support our group's goals to achieve responsible and sustainable growth. We require suppliers comply with all applicable laws and regulations, including to the laws of the United States as applicable to our purchase order terms, and our general terms of purchase require suppliers to certify that all goods furnished shall have been produced in compliance with all applicable requirements of the Fair Labor Standards Act of 1938, and all applicable federal, state and local laws, rules and regulations governing wages, hours and conditions of labor. In 2023 we expanded our terms to require that suppliers perform work for HII in a manner that ensures adequate protection for workers, and be accountable for supplier's actions and of supplier's subcontractors, agents and employees. Refinements of our general terms and conditions of purchase are continuing.

Risks of Forced Labor or Child Labor in Our Supply Chain

Although HII's exposure to forced labor and child labor risks is considered low, the nature of our business is complex and requires procuring many supplies and materials, including from international manufacturers. Like other global businesses, risks in our supply chain arise because of our limited visibility into the full supply chain, especially at the level of raw materials or electronic commodities. To better address what we generally see as more country-specific visibility risks in our supply chain, when possible, HII works through our affiliates to help source and manage certain international suppliers. HII is currently working with our affiliates to assess and improve our processes in direct and indirect procurement.

In 2023, we were not aware of any part of HII's business or supply chain that carried a significant risk of forced labor or child labor, and therefore, HII did not implement any remediation measures as we did not face situations of forced labor or child labor.

Monitoring Ourselves and Our Suppliers

HII personnel who fail to comply with our codes, policies and procedures are subject to disciplinary action, including but not limited to, termination of employment. Violations must be reported, and our whistleblower hotline system, hosted by an independent third-party, is

accessible to certain current or past HII personnel who can choose to remain anonymous, and are protected from retaliation for reporting in good faith a suspected violation of our codes.

In 2023, HII assigned our President and the head of HR/Legal to head our Compliance committee and they conducted certain self-evaluation checks across HII businesses to assess the knowledge and effectiveness of compliance policies, including specific inquiries as to our Code of Ethics' requirements as to labor and human rights and no tolerance of forced labor and human trafficking, and as to whether there were adequate checks with suppliers in such issues. This exercise helped identify compliance areas to refine, monitor and raise awareness.

HII verifies certain new suppliers with questionnaires, including questions related to adherence with HII policies, procedures and codes, and applicable laws or contract requirements. HII may complete audits, verifications and/or other further evaluations of new or existing suppliers, which may include checks against restricted lists, review of supplier documentation and/or site evaluations or visits. Purchasing managers are tasked with monitoring suppliers and as needed terminating those who fail to adhere to our requirements or applicable law or fail to respond to information requests or opportunities to resolve. Supplier verification and audits did not all evaluate risks of human trafficking and forced labor or adherence to our standards in relation thereto, and we did not require all direct suppliers to certify compliance. We have since started evaluating gaps and instituting changes in supplier terms and procedures. Our audits and verifications have not been conducted by independent third parties.

Training

In 2023, HII integrated HORIBA Group Code of Ethics into HII's updated Code of Conduct policy mandatory training for all HII group employees. The Code of Ethics has been integrated into ethical conduct training to employees annually. Since end of the reporting period, we have engaged an additional external training module provider and rolled out anti-slavery and human trafficking training and updated code of conduct training required for all HII group employees.

Effectiveness and Looking Ahead

HII is committed to improving our efforts to prevent and reduce the risk of forced labor and child labor in our business and supply chain. Although HII has started working toward such measures, to date no actions have been taken to assess the effectiveness of these measures.

In addition to participating in group compliance initiatives started in 2023, HII is continuing to refine our efforts in supplier management and have undertaken review and gap analysis of our policies and terms, supplier engagement and review protocols, and have taken steps to upgrade our practices. Such efforts are continuing.

[Signature page follows]

Attestation And Approval

This Report was approved by HII's Board of Directors as of May 30, 2024 pursuant to subparagraph 11(4)(b)(ii) of the Act.

In my capacity as a Director of HORIBA Instruments Incorporated, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind HORIBA Instruments Incorporated.

A handwritten signature in black ink, appearing to read 'Toshiya Higashino', is written over a horizontal line.

Toshiya Higashino

President

May 30, 2024