

KEYENCE CANADA INC

Introduction

This is KEYENCE CANADA INC.'s ("KEYENCE Canada," and "we") report on forced labour and child labour under Section 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"). This report covers activities for the financial year ending Feb 29th, 2024 and sets out the steps that Keyence Canada has taken and is continuing to take to prevent and reduce the risk that forced labour and child labour are taking place in its supply chain or business.

At KEYENCE Canada, we firmly believe that respecting human rights is fundamental to the long-term sustainability of our company and the continuous fulfillment of our social responsibilities. We are committed to ensuring that all aspects of our business operations, including our supply chain, are free from any contribution to human rights violations, including forced labour and child labour.

Organizational structure, activities, and supply chain

KEYENCE Canada is a wholly owned subsidiary of KEYENCE CORPORATION ("KEYENCE") headquartered in Osaka, Japan. As a leading supplier of sensors, measuring systems, laser markers, microscopes, and machine vision systems worldwide, KEYENCE is at the forefront of factory automation. We strive to develop innovative and reliable products to meet the needs of our customers in every manufacturing industry.¹

KEYENCE has steadily grown since 1974 to become an innovative leader in the development and manufacturing of industrial automation and inspection equipment worldwide. Today, KEYENCE serves over 300,000 clients, 240 Offices in 46 countries around the world, where our name stands for innovation and excellence.² With a global workforce of 10,000+ employees, and Canadian office locations in Mississauga, Windsor in Ontario, as well as Montreal in Quebec, KEYENCE continues to expand its reach and impact.³

Policies and due diligence processes in relation to forced labour and child labour.

KEYENCE Canada recognizes the importance of respecting human rights as a company, not only in compliance with the laws and regulations of the countries in which we do business, but also in pursuit of high ethical standards. Based on this idea, and adhering to international norms such as the United Nations Guiding Principles on Business and Human Rights as well as the International Bill of Human Rights, and ILO Declaration on Fundamental Principles and Rights at Work by International Labour Organization, KEYENCE has developed several policies aimed at actively upholding human rights principles.⁴ These policies include:

¹ About US | [Keyence Canada Website](#)

² Corporate Overview | [Keyence Canada Website](#)

³ Local Offices | [Keyence Canada Website](#)

⁴ Respect for Human Rights | [Keyence Canada Website](#)

1. Human Rights Policy⁵

KEYENCE's Human Rights Policy applies to all board members and employees of KEYENCE, as well as to consolidated subsidiaries, including KEYENCE Canada. The Human Rights Policy states that KEYENCE respects the international standards on human rights and unequivocally complies with all international human rights obligations and applicable laws and regulations of the countries in which KEYENCE does business. We also expect our suppliers and business partners to understand, support, and adhere to this policy, and we continuously encourage them to do so.

2. Code of Conduct⁶

The KEYENCE Code of Conduct explicitly outlines KEYENCE's prohibition of child and forced labour. All officers and employees are required to understand and comply with the Code of Conduct in all business activities. Compliance with the Code of Conduct is also required for all suppliers (including subcontractors) and partner companies. The Code of Conduct also specifies that KEYENCE confirms the age at the time of hire and shall not engage in contracts or any employment agreements with children below the minimum age for employment as stipulated by local labour laws and regulations, or any other applicable local law or regulation.

3. Procurement Guidelines⁷

The KEYENCE Procurement Guidelines set forth the minimum requirements for any entity providing goods or services to KEYENCE. These requirements are consistent with KEYENCE's values and are applicable to all suppliers and their respective affiliates and subsidiaries globally. Notably, the Procurement Guidelines state that suppliers shall not use or engage in any forced labour.

Further, to fulfill its responsibility of respecting human rights, KEYENCE has established and will continue to enforce its framework for ensuring due diligence for human rights. KEYENCE identifies significant human rights risks to assess any negative human rights impact of its business activities, including those within the supply chain. KEYENCE utilizes self-assessment, risk assessment, and impact assessment procedures to assess human rights impacts, considering severity and possibility of impact. Risk information of peripheral countries is also considered in the assessment of human rights risks, along with risk information by region.⁸

As part of our due diligence process, KEYENCE designated representatives directly visit our production partners. These visits serve not only to check the quality of the products but also to understand the actual conditions of the production sites and the working environment. We strive to provide guidance for improvements where necessary. Further to on-site inspections of partner factories, KEYENCE conducts surveys at least once every three years for major suppliers and

⁵ Ibid.

⁶ KEYENCE Group Code of Conduct | [Keyence Canada Website](#)

⁷ Procurement Guidelines | [Keyence Canada Website](#)

⁸ Sustainability – Social | [Keyence Corporation Website](#)

every year for any other business partner that is found to be of concern for human rights risks as a result of our risk assessment.⁹

Risk of forced labour or child labour being used and the steps we have taken to assess and manage that risk.

KEYENCE is committed to upholding human rights within our supply chain. We acknowledge that issues such as forced labour and human trafficking are more likely to occur within the supply chain than within our organization. We have committed to working on incorporating the identified risks into our regular risk assessment process and risk mitigation activities.

Any measures taken to remediate any forced labour or child labour; Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.

As of the date of this report, KEYENCE Canada is not aware of any incidents of forced labour or child labour in its operations or supply chain that occurred in 2023/2024. Consequently, no remedial actions or measures have been necessary, nor has there been a need to address any resulting income loss for affected families. In the event that any incidents related to forced labour or child labour are identified in the future, Training provided to employees on forced labour and child labour.

KEYENCE prioritizes efforts to train its employees to create a workplace with a positive impact on society. As such, KEYENCE has established the Corporate Policy and Business Guidelines and provides all personnel with a booklet of them. It periodically promotes understanding to ensure the adoption of the KEYENCE Human Rights Policy in all business activities and to ensure that all business activities are performed based on high ethical standards.¹⁰ Further, a copy of the Code of Conduct is distributed to each of our employees for their reference and review in order to improve their awareness of and promote their understanding of compliance.¹¹

Moving forward, we are steadfastly dedicated to broadening awareness and enhancing training initiatives concerning the critical issues of forced labour and child labour.

Assessing effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

KEYENCE is committed to strive toward improvement, year after year. We share and confirm our basic policy and rules with each subcontractor prior to outsourcing the manufacture of products. In addition, we conduct on-site inspection at subcontractors annually to check the status of compliance and engage to ascertain the circumstances of manufacturing site and the improvements. We require our subcontractors to respect human rights and monitor their suppliers

⁹ Ibid.

¹⁰ Respect for Human Rights | [Keyence Canada Website](#)

¹¹ Sustainability – Social | [Keyence Corporation Website](#)

for compliance to our policies. We may terminate the relationship with any supplier if a breach is found, and if the breach is not rectified within a reasonable period.¹²

As we move forward, our commitment extends to actively seeking opportunities for collaboration with our employees, leadership, suppliers, and stakeholders. Together, we will explore effective strategies to monitor and evaluate our efforts in ensuring that forced labour and child labour remain absent from both our operations and supply chains.

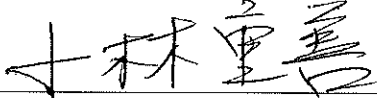
Approval and Attestation

This report was approved and attested as of May 31st, 2024 as required under subparagraphs 11(4) and 11(5) of the Act by the Board of Directors of KEYENCE Canada for its prior financial year ended Feb 29th, 2024.

Full name: Shigeyoshi Kobayashi

Title: Vice President

Date: May 31st, 2024

Signature:  _____

I have the authority to bind KEYENCE Canada

¹² Supply Chain Management | [Keyence Corporation Website](#)