

Modern Slavery Report 2023

Matrox Graphics Inc.

Matrox Central Services Inc.



This Modern Slavery Report (the “**Report**”) addresses the period from April 1st, 2023, to March 31st, 2024, and has been prepared in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “**Act**”). This Report is made on behalf of Matrox Graphics Inc, Matrox Central Services Inc. (“hereafter **Matrox**”) and Lortron Holdings Corporation Ltd (“**Lortron**”) as controlling entity of Matrox (collectively, “**we**”, “**us**” or “**our**”). A French version of this Report is appended to the end of the English version.

1. Introduction

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a leading High-Tech company, **Matrox** recognizes the important role that we have in ensuring that our operations and products, and the supply chains that support these, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during Fiscal 2023 to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by Matrox or of goods imported into Canada by Matrox.

As an organization, we recognize that addressing modern child labor is a complex and multifaceted challenge that requires collective action and unwavering commitment from all stakeholders. By integrating ethical principles, social responsibility, and respect for human rights into our business operations, we strive to contribute to a world where every child can thrive, learn, and grow in a safe and nurturing environment.

We are committed to continuous improvement and transparency in our efforts to combat modern child labor. We regularly review and enhance our policies, practices, and initiatives to ensure alignment with evolving standards and best practices in the field.

2. Our Business

Matrox is a privately held high-tech organisation with approximately 500 employees headquartered in Quebec, Canada. Matrox is controlled by Lortron, a holding company incorporated in Quebec. Matrox has been a market leader in designing software and hardware solutions for an array of high-tech customers for almost 50 years. Matrox combines engineering excellence with deep industry expertise to deliver unique solutions that help our customers achieve their goals. Matrox has established itself as a market leader by consistently meeting customer requirements for innovative technology and the highest manufacturing standards.

More precisely, Matrox Graphics inc., a company incorporated in Quebec, designs, sells and distributes its products through a network of worldwide sales offices and distribution centers. Our sales offices are primarily located in Canada, the United States, the United Kingdom and Germany. Matrox Central Services Inc., a company incorporated in Quebec, provides support services to Matrox Graphic Inc and its affiliates, including administrative, operations, supply chain, manufacturing and distribution services. Most of the manufacturing is done out of Dorval, Quebec, Canada but we also utilize two Tier-1 manufacturing subcontractors in China and Malaysia. Matrox's supply chain includes companies that supply goods and services to our organization.

We procure a significant proportion of goods and services from a select number of suppliers and have established strategic, long-term, and transparent relationships with them. We engage with all suppliers in an ethical and socially responsible way. Our supply chains include the sourcing of raw materials, packaging supplies, machinery, maintenance components, and other direct materials such as metal, connectors, stationaries. Our supply chains involving our direct (Tier 1) suppliers can be broadly grouped as goods/equipment and services.

Matrox' supply chain activities play an essential role in our business. The components that we purchase are used to manufacture our products in Dorval, Quebec, and at Tier-1 manufacturers. In 2023, the main components and materials we purchased to manufacture our finished goods are listed below; as well as the main countries those were supplied from:

- Asics, ICs, memory, FPGAs (field programmable devices), and EEPROMs are mainly sourced from Taiwan, China, the Philippines, Thailand, Japan, and South Korea.
- Capacitors, resistors, inductors, MOSFETs, connectors, oscillators, switches, power supplies, and PCBs are mainly sourced from South Korea, Taiwan, China, the United Kingdom, Japan, Malaysia, the United States, Singapore, Thailand, Germany, and Israel.
- Metal, cables, packaging, and hardware (screws, inserts, etc.) are mainly sourced from China and Canada.

3. Our Policies and Due Diligence

Our organizational and governance policies serve to communicate our values and expectations. These policies set a high bar for ourselves, our suppliers, and our selling partners, and make it clear that we do not tolerate any forms of forced labour or child labour. We are committed to consistently evolving and improving our approach. We do not tolerate child, forced or bonded labour in any of our operations or by suppliers working for us. We employ a range of measures, including through carrying our due diligence and audits to monitor the performance of our suppliers, to prevent our activities having a negative impact on human rights. We expect our suppliers to comply with all applicable legal requirements in the jurisdictions in which they operate. Further details on some of our policies can be found below:

Code of Business Conduct

*We are committed to conducting our business in a lawful and ethical manner. Our **Code of Business Conduct** is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, Matrox employees should always act lawfully, ethically and in the best interests of Matrox.*

Anti Corruption, Bribery and Whistleblower Policy

*This **Anti Corruption, Bribery and Whistleblower Policy** exists to set out the responsibilities of Matrox and those who work for us in regard to observing and upholding our zero-tolerance position on bribery and corruption.*

This Policy also exists to act as a source of information and guidance for those working for Matrox and its subsidiaries. It helps employees recognize and deal with bribery and corruption issues, as well as understand their responsibilities. Matrox and its subsidiaries value honesty, integrity, transparency and professionalism in dealings with clients, suppliers, competitors and government officials alike. It is the policy of the Company to compete fairly and engage in business practices that comply with the Corruption of Foreign Public Officials Act (“CFPOA”) and the Criminal Code (“Criminal Code”) in Canada, the Foreign Corrupt Practices Act of 1977, as amended (“FCPA”) in the United States, and the Anti-Bribery Act, 2010 in the United Kingdom, together with all other anti-corruption and anti-bribery laws and regulations applicable to the Company’s business anywhere in the world (“Anti-Corruption Laws”).

Harassment Policy

Matrox is committed to providing a work environment free from harassment and discrimination thereby promoting respect between individuals at all levels of the organization and safeguarding the physical and psychological well-being of its employees. Matrox will take reasonable means to prevent harassment and impose the necessary sanctions to end psychological harassment when made aware of the existence of such harassment. It is understood that Matrox will not tolerate threats or acts of retaliation or retribution against employees for using the complaint channels. Any employee found to have engaged in psychological or sexual harassment will be subject to administrative or disciplinary measures.

Zero Tolerance of Violence in the workplace Policy

Matrox Policy on Zero tolerance of Violence in the workplace is ensure that every employee has the right to work in an environment free of violence. Matrox is committed to providing a work environment free of all forms of violence and to taking the necessary measures to ensure that no employee is subjected to violence at work, including domestic, family or sexual violence.

Matrox is committed to taking appropriate action against anyone who engages in workplace violence against another employee.

Social Responsibility Policy Regarding Conflict Minerals

Matrox Social Responsibility Policy Regarding Conflict Minerals relates to the Matrox use of conflict minerals, cobalt & mica originating from the Democratic Republic of Congo as well as the nine adjoining countries in our supply chain. The policy outlines and defines the requirements imposed by our customers who are regulated by the U.S. Securities and Exchange Commission. The policy explains Matrox's legal obligations, its ethical standpoint, its willingness to comply, and the adoption of due diligence measures and their effects on procurement and public relations.

In addition, in May 2024 Matrox began the process of developing a Modern Slavery Policy which is anticipated to prohibit forced and child labour specifically and set out the responsibilities of senior management, employees, contractors and suppliers. The current draft of the policy also sets out our expectations for risk assessment, due diligence, training, and continuous improvement in order to prevent and reduce the risk of modern slavery, including forced and child labour, being used in our operations and supply chains.

Due Diligence

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

While the risk that our employees working in our facilities in North America and in Europe are subjected to forced labour or child labour is low, we acknowledge that we have less visibility and control over our third-party manufacturers and suppliers and the risks of forced and child labour in their supply chains. In order to mitigate this risk, we follow a due diligence approach that includes the following steps:

- *Prior to accepting a new key supplier, we require that they complete our supplier assessment survey. This attests to the supplier's compliance with internationally recognized Human Rights standards, legislation and conventions. Additionally, the supplier must provide copies of relevant compliance documents or a copy of their plan to manage compliance with relevant standards, legislation, labor law standards and convention.*
- *Many of our material suppliers are large public entities such as Intel, AMD, and TI which have attested to their compliance with Forced labour and child labour laws.*
- *Moreover, Matrox adheres to the following due diligence processes: supplier and manufacturing visits, supplier attestation, third party audits, identifying and assessing adverse impacts in operations, supply chains, and business relationships, ceasing, preventing, or mitigating adverse impacts.*

4. Assessing Our Risk

Matrox engages in various activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we refer to external data sources, engage with our peers, and when feasible we conduct risk assessments. To identify the business activities with the greatest exposure to these risks, we consider the following factors:

- *Reliance on low skilled workforce*
- *Dangerous or undesirable work*
- *Presence of labour intermediaries*
- *Offshore production*
- *Presence of child labour*
- *Jurisdictional risks including poverty, conflict, and enforcement of international human rights standards*

Our exposure to the risk of forced labour and/or child labour increases when we engage with third parties, particularly in categories such as manufacturing and packaging.

We rely on the cooperation of our suppliers and business partners, and we expect them to meet the highest standards of quality and ethics, as set out in our policies and codes of conduct, and as discussed elsewhere in this report.

Where appropriate, additional due diligence measures are undertaken, including requiring key suppliers to complete a detailed questionnaire or respond to additional follow-up questions. In the event that we become aware of any concerns within our supply chain that are not in compliance with our standards, we expect that the supplier will implement corrective measures. Continued noncompliance may lead to additional remediation actions, up to and including termination of the business relationship as set out below.

5. Our Commitments

Steps to Prevent and Reduce Risks of Forced and Child Labour

- *Dealing with tier 1 suppliers and providers who have policies and measures in place;*
- *Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains;*
- *Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour;*
- *Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains;*
- *Developing and implementing child protection policies and processes;*
- *Developing and implementing anti-forced labour and/or child labour contractual clauses;*
- *Developing and implementing anti-forced labour and/or child labour standards, codes of conduct and/or compliance checklists;*
- *Auditing Key suppliers;*
- *Onsite visits to key suppliers*
- *Engaging with supply chain partners on the issue of addressing forced labour and/or child labour;*

Remediation Measures

Based on the mapping of our active suppliers, the identification of our key suppliers and the in-depth analysis to determine whether any of these suppliers present a higher risk of exposure to modern-day slavery, no known incidents or significant risks of modern-day slavery were identified and as such we have not taken any remediation measures. We will nevertheless remain vigilant in this regard and will continue to rely on a procurement process that is built around the commitments outlined herein.

Our Code of Business Conduct and our Anti Corruption, Bribery and Whistleblower Policy require all employees and contract workers of Matrox to report actual or possible misconduct. We also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business and supply chains. In the event that we discover any forced labour or child labour in our business and supply chains, we would consider taking the following measures to remediate such forced labour or child labour:

- *Suspension or termination of a supplier, sub-supplier or contractor;*
- *Actions to prevent forced labour or child labour and associated harms from reoccurring;*
- *Actions to support victims of forced labour or child labour;*
- *Capacity-building measures, enhanced supervision and/or monitoring of supplier, sub-supplier or contractor.*

Training

The members of our procurement team have the option of enrolling in various modules of training program provided by various third-party assessor of the environmental, social and governance performance of organizations and their supply chains. Part of these training programs covers human rights issues such as forced labour and child labour. We also regularly review our policies to ensure they continue to be up-to-date, relevant and effective.

Our Progress and Effectiveness

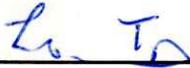
Matrox has not taken any actions to assess our effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains. However, if relevant reports or concerns come to our attention, we will review that information and consider it in the review of our policies and procedures related to forced and child labour. This may include the development and implementation of a system to assess effectiveness, if appropriate.

6. Approval & Signature

In accordance with paragraph 11(4)(b)(ii) of the Act, this Report was approved by the Board of Directors of Lortron on **May 30th, 2024**, and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on Matrox company website at **www.matrox.com**.

Matrox Graphics Inc. and its affiliates - Modern Slavery Report 2023

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for Matrox Graphics Inc., Matrox Central Services Inc. and Lortron Holdings Corporation Ltd. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Lorne Trottier

President

May 30th, 2024

I have the authority to bind Lortron Holdings Corporation Ltd