

KONE Inc. (“KONE Canada”) Annual Report covering activities for the financial year January 1, 2024 to December 31, 2024, under Part II of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”).

Victims of forced and child labour experience some of the most severe breaches of human rights in the world today. This is irreconcilable with the values of KONE Canada and the KONE group (together "KONE"). We take this opportunity to reinforce KONE Canada’s commitment to preventing and reducing the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by KONE Canada, or of goods imported into Canada by KONE Canada.

1. KONE Canada’s structure, activities and supply chains.

KONE Canada

KONE Canada is a federally incorporated entity under the *Canada Business Corporations Act*. KONE Canada’s Corporation Number is 996674-9. Its registered office address is 6696 Financial Drive, Unit 2, Mississauga, ON, L5N 7J6, Canada. KONE Canada does not control any entity that would be subject to the Act.

KONE Canada is owned by Finescal Oy, based in Finland, which holds 51% of the shares of KONE Canada, and KONE Corporation, also based in Finland, which holds 49% of the shares of KONE Canada. Neither Finescal Oy, nor KONE Corporation are listed on any stock exchange in Canada.

KONE Canada’s activities in the Elevator/Escalator industry include the design, manufacture, importation, supply, installation, testing, tuning, commissioning, maintenance and modernisation of elevators, escalators, and automatic building doors.

As of May 1st, 2025, KONE Canada has 1115 employees in Canada, and has branches in Ontario, Quebec, Nova Scotia, New Brunswick, Manitoba, Saskatchewan, Alberta, British Columbia.

KONE Canada’s supply chain operations cover new equipment production, modernisation, and spares supply. We work closely with selected key material suppliers and logistics service providers.

KONE Canada works with approximately 524 suppliers and business partners. Sourcing is structured around the following main categories:

- i. *Business partners*, including facilities (e.g. cleaning, catering and security services) and professional services companies.
- ii. *Installation subcontractors and indirect supply chain services*, including shared services/call centres.
- iii. *Direct material supply chain*, including logistics, elevator doors, mechanics, elevator car, electrification, machines, buildings doors,

escalators, user interface devices, new solutions and services, as well as raw materials and components sourced in connection with these categories.

KONE Canada imports material from China, India, and the United States into Canada. KONE Canada does not produce any goods in Canada. The majority of imported supplier material for KONE Canada is from the US (97.6%).

2. KONE Canada policies and due diligence processes in relation to forced labour and child labour.

KONE Canada Policies

- (a) KONE Canada has a Human Rights Policy that reinforces its commitment to respecting and endorsing internationally recognized labour and human rights standards including those set out in the:
- International Bill of Human Rights
 - United Nations Guiding Principles on Business and Human Rights
 - Basic labour rights as defined by the International Labour Organization including the ILO Declaration on Fundamental Principles and Rights at Work
 - OECD Guidelines for Multinational Enterprises.
- (b) Complementing the Human Rights Policy is KONE Canada's Code of Conduct, including KONE Canada's Supplier and Distributor Codes of Conduct which set out the principles and standards expected from employees, affiliated companies, suppliers, distributors, and other business partners. These principles and standards strictly prohibit the use of child or forced labour and KONE Canada requires that our key suppliers and distributors strictly comply with these requirements.

Each of the above policies are reviewed annually and updated as KONE Canada deems necessary.

Due Diligence Processes

KONE's Global Compliance Committee is accountable for human rights at KONE, including KONE Canada. A Human Rights Working Group reporting to the Global Compliance Committee assists the Committee in ensuring that KONE Canada has an effective human rights programme and drives this programme across KONE Canada.

KONE Canada has a dedicated Procurement Team who manage, resource, and regulate our sourcing process. Before we do any business with any supplier, we expect our suppliers to meet and commit to the provisions set out in our Supplier and Distributor Code of Conduct. Our dedicated Procurement Team continually monitor our supply chain to ensure that there is a full and genuine commitment to their engagement with us.

3. The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk

On a global level, including for the benefit of KONE Canada, KONE has carried out human rights impact assessments to identify, assess, and prioritise actual and potential human rights impacts throughout our own operations, supply chain and business partner relationships.

In addition to our own efforts to identify and assess adverse human rights impacts, KONE has engaged a third-party provider to conduct a holistic human rights impact assessment of the KONE group globally. This was first completed in 2019.. This assessment has since formed the basis for our human rights efforts on an annual basis. In 2024, KONE has screened its strategic suppliers using the Sayari tool and no incidents of forced labour or child labour were identified.

4. Measures taken to remediate any forced labour or child labour.

In the fiscal year 2024, no incidents of forced labour or child labour were reported or identified within KONE Canada or its supply chains. As a result, remediation measures did not need to be taken to correct any forced labour or child labour.

5. 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.

Given that in the fiscal year 2024, no incidents of forced labour or child labour were reported or identified within KONE Canada or its supply chains, measures to compensate the loss of income to the most vulnerable families that may have resulted from any remediation measures were not required.

6. How KONE Canada assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

KONE prioritises actual or potential impacts based on the severity of the impact on potentially affected individuals and groups and the likelihood of such impacts occurring. Impact assessments are reviewed regularly to reflect changes in our operations and in the business environment.

Further, KONE conducts a regular Human Rights Impact assessment of the operations of KONE entities within its remit, including KONE Canada. We understand that human rights risks exist within our organization and across our supply chain and we therefore carry out regular human rights impact assessments to identify such risks. KONE prioritizes potential impacts based on the severity of the impact on potentially affected individuals and groups, the associated risks to the business and the likelihood of such impacts occurring. Impact assessments are reviewed regularly to reflect changes in our operations and in the business environment.

KONE uses internal surveys to assess human rights compliance in our own operations, including a yearly Pulse survey which measures employee engagement on a global level. KONE also uses anonymous surveys to identify discrimination, bullying and/or harassment issues within a unit. KONE has in place internal systems for reporting HSE (health, safety & environment) incidents, including workplace accidents and other relevant incidents.

KONE screens and monitors relevant suppliers, customers and other third parties with whom KONE does business through our KONE Compliance Screening tool. Our holistic assessment also considers the supplier or business partner's dependence on business from KONE, as well as their location-based risks and sustainability risks (including human rights).

KONE Canada has implemented measures to strengthen its vendors and supplier's compliance with our Code of Conduct. Contractual documents were reviewed to ensure that the Code of Conduct is more accessible to vendors and suppliers. All new suppliers were sent our Code of Conduct as a condition of doing business with KONE Canada. A register is being created for all vendors with a checklist of items that they need to comply with.

KONE Canada has a proper process in place to prevent the risk of forced labour or child labour. We are continuously reviewing our processes to determine their effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

As of April 25th, 2024, KONE Canada started to carry out human rights assessments for Canadian suppliers. We have not identified any human rights breaches in 2024. These tools and assessments will be effective in determining any risk exposure that will necessitate immediate action.

7. The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.

Business and supply chain risks

KONE Canada understands that the following risks are the most significant in its operations and supply chains:

1. Labour exploitation, particularly of vulnerable workers, including women and children, in regions from which KONE Canada obtains or manufactures its electrical and/or mechanical components or parts and other raw materials.
2. Product and services risks which might require suppliers to impose unreasonable working conditions including, without limitation, excessive working hours to meet construction deadlines.

Steps taken to assess and manage that risk

KONE Canada is committed to assessing, eliminating, or mitigating the risks of forced or child labour. To do so, KONE Canada undertakes the following initiatives:

- A Human Rights Working Group reporting to the KONE Global Compliance Committee assists the Committee in ensuring that KONE has an effective human rights programme and drives this programme across KONE.
- KONE Canada understands that human rights risks exist within our organisation and across our supply chain. By embedding human rights in our strategy, policies, and processes, we aim to identify, prevent, and mitigate those impacts in an ongoing manner.
- KONE engages in strenuous and regular vetting of KONE's global supply chains. KONE's main suppliers on a global level are subject to screening and ongoing monitoring using a third-party tool. The tool assists in identifying sanctions and adverse media coverage including human rights, corruption, and environmental issues. This helps KONE Canada to identify any issues of concern that may arise in connection with those suppliers.
- Vetting of non-KONE Canada suppliers: Before KONE does any business with any key supplier, KONE Canada process requires its suppliers to meet and commit to the provisions set out in KONE Canada's Supplier Code of Conduct.
- Appropriate governance by KONE Canada which includes regular training of employees on our Code of Conduct and related policies.
- Dedicated Compliance Line: KONE Canada has a dedicated Compliance Hotline which enables employees to report compliance concerns relating to violations of the KONE Canada Code of Conduct in relation to forced and/or child labour, through either web or telephone access.
- Additional compliance measures: KONE Canada encourages employees to "Speak Up" and report their concerns, together with the assurance that their identity is safeguarded if they so wish due to the anonymity offered by the system. All registered concerns are given a reference number to allow for the caller to access responses posted on the Compliance Hotline site by the Compliance Team, thus maintaining the anonymity of the caller.

8. The training provided to employees on forced labour and child labour.

KONE Canada has an extensive Code of Conduct online training programme, as well as dedicated compliance officers to help employees comply with KONE Canada's Code of Conduct. The code of Conduct is available in over 30 languages to all employees.

Topics covered include complying with applicable laws, labour laws and rules of society, the work environment and prevention of using forced or child labour, anti-bribery, harassment and discrimination, safety, product and service marketing, fair competition, the environment, and sustainability. All KONE Canada's employees are expected to read and comply with the Code of Conduct, and to report any violations to KONE Canada's Compliance team, or relevant local legal function. KONE Canada's training requires employees to confirm that they will comply with the Code of Conduct.

KONE Canada is fully committed to reviewing and updating its processes to prevent and reduce the risk that forced labour or child labour in KONE Canada's activities and supply chains.

This Report is approved by the board of directors of KONE Canada pursuant to section 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, in the capacity of Managing Director of KONE Canada, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity 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 make the above statement in my capacity as a member of the Board of Directors of KONE Canada for and on behalf of the Board of Directors.

Full name: Gérald Richard

Title: Managing Director

Date: May 28, 2025

Signature: *Gerald Richard*

I have the authority to bind KONE Canada.