

MODERN SLAVERY REPORT

Fiscal Year 2024

This Modern Slavery Report (the "**Report**") addresses the period from January 1, 2024 to December 31, 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 KTM North America Inc. ("**KTM**").

INTRODUCTION

At KTM, corporate integrity, responsible product sourcing, and the safety and well-being of workers across the global supply chain are of paramount importance to our operations, management, and business. As part of our commitment to holding ourselves to the highest standards of respecting and protecting the human rights belonging to all individuals involved and affected by our business operations, we have a responsibility to ensure exploitative practices, including forced labour and child labour ("**Modern Slavery**") are addressed and minimized in our supply chains. Through continuous reassessment of our practices, and a dedication to improving them by taking action, we strive to prevent and reduce the risk that Modern Slavery is used in our business or supply chains.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Structure

KTM is an Ohio corporation privately owned by its parent company, KTM Sportmotorcycle GmbH which is based in Austria ("**KTM Austria**"). KTM and KTM Austria are both members of the PIERER Mobility Group of companies (the "**Group**"). KTM is the North American sales subsidiary of KTM Austria and is the sole shareholder of KTM Canada Inc. KTM employs over 340 people in the US, with its head office located in Murrieta, California. KTM is governed by a board of director].

Activities

KTM's sole business activity is the sale of KTM and GASGAS branded motorcycles, parts, gear, and accessories ("**Products**") in the US and Canada to independent dealers.

Supply Chain

KTM acquires products from KTM Austria and distributes those products to an established a network of more than 600 dealers in Canada and the US, all of which are independently owned small and medium-sized businesses. KTM does not produce any products from raw material or assemble products from vendors. KTM distributes Products from KTM Austria that are designed, built, or acquired through manufacturers, distributors, vendors, subcontractors, and other suppliers (each a "**Supplier**") vetted and sourced around the globe and required to adhere to the Group's Code of Conduct. See [Pierermobility.com/publications](https://www.pierermobility.com/publications) for the full Code of Conduct and Declaration on modern slavery and human trafficking.

MODERN SLAVERY POLICIES AND DUE DILIGENCE PROCESSES

Our implementation of good governance, including formal policies and codes of conduct, has given us the foundation to ensure our efforts towards mitigating the risks of Modern Slavery in our business and supply chains are effective. We do not tolerate slavery or human trafficking in our organization or those of our Suppliers.

Code of Conduct

The principle of corporate integrity applies to all aspects of our business, and encompasses all Suppliers that supply, directly and indirectly, products that we sell.

The Group's Code of Conduct is integrated into all new contracts, making the adherence to human rights an inherent contractual obligation for all Suppliers. The Code of Conduct establishes the minimum standards that must be met by any Supplier that sells goods or does business with the Group regarding the Supplier's treatment of workers, workplace safety, the impact of the Supplier's activities on the environment, and the Supplier's ethical business practices. We expect Suppliers to comply with the standards of the Code of Conduct in all of their facilities and operations.

Due Diligence

We expect Suppliers with which we work, directly and indirectly, to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. In order to mitigate potential risks of Modern Slavery in our supply chains, we follow a due diligence approach in accordance with the Code of Conduct that includes the following steps:

- monitoring and reviewing supply chains and business relationships;
- requiring all new Suppliers to uphold the standards, principles, and requirements within the Code of Conduct;
- encouraging transparent communication between management, employees, and third-parties, including Suppliers, enabling all parties to raise and voice concerns with management regarding potential risks of Modern Slavery within our operations and supply chains;
- identifying and assessing adverse impacts in operations;
- continuously reviewing our risk management infrastructure including policies, procedures, and legal obligations; and
- ceasing, preventing, or mitigating adverse impacts by training and raising awareness and understanding of Modern Slavery among our impacted employees as we track implementation and results, and communicating how impacts are addressed and provided for and cooperating in remediation when appropriate.

Further, a due diligence framework including pertinent measures, has been devised to proactively identify, among other factors, potential human rights risks and their associated impacts in the Group's supply chain. The Group introduced the ESG platform SupplierAssurance offering a self-report questionnaire (SAQ)¹ to assess the sustainability of suppliers. Based on the information provided, it is

possible to identify and avoid risks at an early stage and - if necessary - initiate adequate remediation measures. After checking the data against the minimum requirements of the Group and corresponding evaluation, recommendations for action will be defined, which offers the option of continuous improvement. Guidelines pertaining to working conditions and human rights, occupational health and safety, and ethical business practices are established to outline the actions taken by suppliers in these areas. In instances where the stipulated criteria are not met, a "red status" designation is assigned, and specific corrective measures are jointly agreed. To address these matters systematically, special training sessions are offered to employees of the purchase department on an annual basis.

MODERN SLAVERY RISKS, MITIGATION, AND REMEDIATION MEASURES

Risk Identification and Mitigation

KTM's mandate is to conduct due diligence to identify and assess the risks of Modern Slavery in our supply chains. By gathering information from Suppliers through the Group's Code of Conduct and ESG platform, Supplier Assurance, the Group is putting itself in a position to better identify such risks.

KTM has not to date identified any part of its activities or supply chains that carries a particular risk of forced labour or child labour, however KTM has taken steps to reduce the risk of modern slavery in its activities and supply chains broadly. As human rights risks may exist in principle as a result of the cooperation with partners along our supply chain, the Group requires its business partners, suppliers, customers, and advisors to respect the human rights as set out in the Group's Code of Conduct. The Code of Conduct is permanently online and available to all employees on the intranet and to third parties on our website. The Code of Conduct is prominently featured on the Group's intranet on an annual basis and distributed to new employees as part of their welcome package. Further, the Group offers tailored trainings to promote awareness of compliance matters. Compliance trainings are also extended to managers and staff in sensitive areas such as Human Resources, Purchasing, Sales, Research and Development, Marketing, and Quality Management as well as executive board members, supervisory board members, and general managers. The Group has implemented an anonymous whistleblower system, allowing employees to report rule violations anonymously. If a suspicious case is confirmed, the Group will take appropriate measures depending on the severity and relevance of the rule violation. The primary objective is to rectify and prevent violations while actively enhancing the sustainability practices of business partners, suppliers, customers, and advisors. In severe cases or instances of non-compliance, the Group retains the right to terminate existing business relationships and suspend future project assignments.

Remediation Measures

As have not yet identified any part of our activities or supply chains that carry a risk of Modern Slavery, we have also not identified any Modern Slavery for which remediation measure could be taken. We acknowledge the need for vigilance and ongoing monitoring to ensure that we continue to mitigate the risk of Modern Slavery in our operations and supply chains. To that end, we will regularly review our risk assessments and implement any necessary remediation measures should the need arise in the future.

LOSS OF INCOME REMEDIATION

As have not yet identified any part of our activities or supply chains that carry a risk of Modern Slavery, we have also not identified any incidents of loss of income resulting from any measure taken to eliminate

the use of Modern Slavery in our activities and supply chains for which remediation measure could be taken.

TRAINING PROGRAM

We believe that awareness and education are crucial in preventing Modern Slavery. To that end, all employees must pass the Compliance and Code of Conduct e-learning. Completion is mandatory and is monitored. Further, the Group offers tailored trainings to promote awareness of compliance matters. Evidently, Compliance trainings are extended to managers and staff in sensitive areas such as Human Resources, Purchasing, Sales, Research and Development, Marketing, and Quality Management as well as executive board members, supervisory board members, and general managers.

ASSESSING EFFECTIVENESS


Our ongoing commitment to preventing and minimizing risks of Modern Slavery in our operations and supply chains involves our continuous monitoring and assessment of the efficacy of our current policies, codes of conduct, due diligence procedures, and training. Where appropriate, we will take necessary steps to improve our processes. If potential risks in our operations and supply chains are identified, we will subsequently identify the appropriate corrective action both internally and with third-parties, including Suppliers, and will track these issues to completion.

We are committed to combatting Modern Slavery in all its forms. We recognize the importance of transparency and accountability in this effort and will continue to work diligently to ensure that Modern Slavery and other slavery-like practices have no place in our business or supply chains.

APPROVAL AND ATTESTATION

This Report was approved pursuant to paragraph 11(4)(a) of the Act by KTM's Board of Directors. This Report is also available on our website at: [KTM – READY TO RACE](#).

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.

DocuSigned by:

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DIANE ROTH
CEO
March 18, 2025
I have authority to bind KTM North America, Inc.