

Annual Report of Kontron Canada Systems Inc. for the Financial Year 2024

1. Introduction

This report is submitted by Kontron Canada Systems Inc. in compliance with the requirements set forth in Bill S-211. As a responsible corporate entity, Kontron Canada Systems Inc. is committed to preventing and reducing the risks of forced labor and child labor in its operations and supply chains.

2. Description of Steps Taken

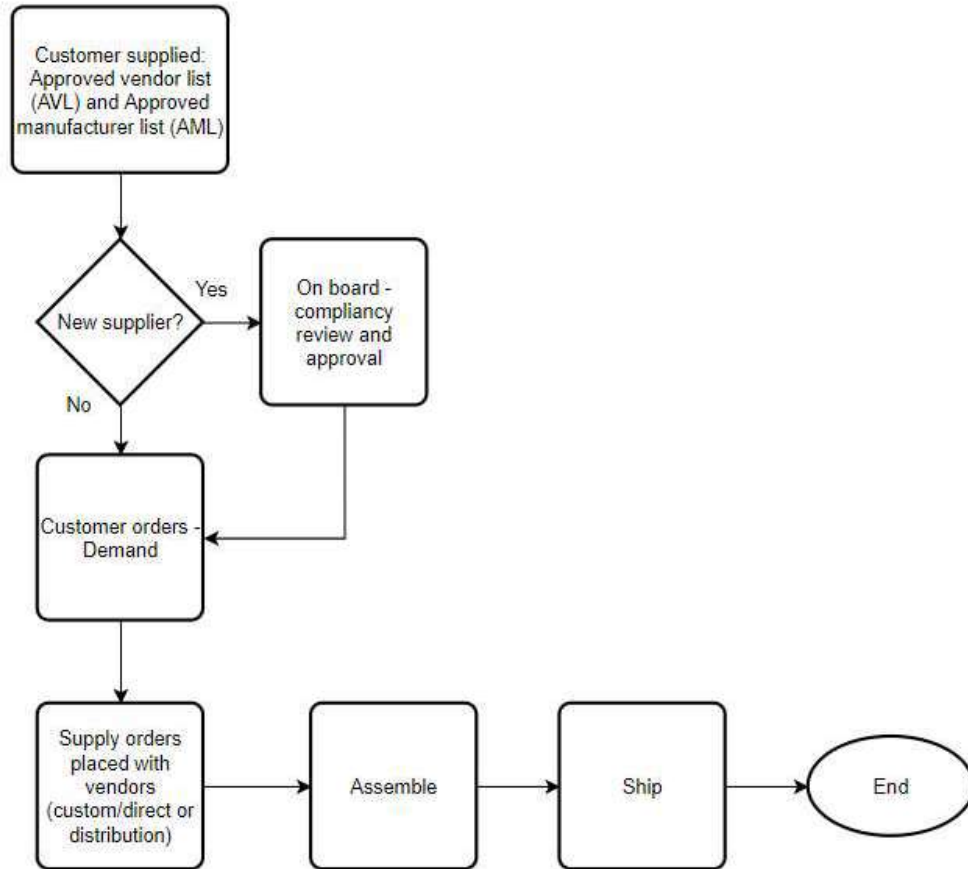
In accordance with subsection 11(1) of Bill S-211, Kontron Canada Systems Inc. has undertaken various steps during the previous financial year to prevent and reduce the risk of forced labor and child labor in the production of goods, both domestically and internationally. These steps include:

- Implementation of due diligence processes to assess suppliers and subcontractors for compliance with labor laws and regulations.
- Regular audits of production facilities to ensure adherence to ethical labor practices.
- Collaboration with industry partners and stakeholders to share best practices and improve labor standards across the supply chain.
- Providing training and awareness programs to employees regarding forced labor and child labor issues.
- Engaging with local communities and NGOs to address any instances of forced labor or child labor and provide remediation measures as opportunities present themselves.

3. Supplementary Information

3.1 Structure, Activities, and Supply Chains:

Kontron Canada Systems Inc. operates as a subsidiary of Kontron AG, a leading electronics manufacturing company headquartered in Germany. Our activities include the design, assembling, and distribution of electronic assemblies and systems for various industries, including automotive, aerospace, and consumer electronics. Our supply chains encompass both domestic and international suppliers, spanning multiple countries.



3.2 Policies and Due Diligence Processes:

Kontron Canada Systems Inc. has adopted comprehensive policies and due diligence processes to address forced labor and child labor in its operations and supply chains. These include a *Kontron Code of Conduct Policy 5a*, *Kontron Supplier Code of Conduct Policy 5c*, *Kontron Canada Systems SSD*, and *KNA Supplier Self Assessment* that outlines our expectations regarding labor standards and ethical business practices. Our due diligence processes involve risk assessments, supplier audits, and regular monitoring of compliance.

3.3 Risk Assessment and Management:

We have identified the parts of our business and supply chains that carry a risk of forced labor or child labor and have taken proactive measures to assess and manage these risks. This includes conducting risk assessments at various stages of the supply chain and implementing controls to mitigate potential labor violations.

3.4 Remediation Measures:

Kontron Canada Systems Inc. is committed to remedying any instances of forced labor or child labor identified in its operations or supply chains. This may include terminating relationships with non-compliant suppliers, providing support to affected workers, and implementing corrective actions to prevent recurrence.

3.5 Mitigation of Income Loss:

We recognize the importance of addressing the socioeconomic impact of eliminating forced labor and child labor in our activities and supply chains. Kontron Canada Systems Inc. endeavors to minimize income loss to vulnerable families by implementing measures such as skill-building programs, alternative livelihood opportunities, and community development initiatives.

3.6 Employee Training:

All employees of Kontron Canada Systems Inc. who work in positions of Supply Chain, and Customer Experience undergo training on forced labor and child labor issues as part of our commitment to promoting ethical business practices. This training equips employees with the knowledge and skills necessary to identify and address labor violations effectively.

3.7 Effectiveness Assessment:

Kontron Canada Systems Inc. regularly evaluates its effectiveness in ensuring that forced labor and child labor are not being used in its business and supply chains. This assessment involves monitoring key performance indicators, conducting internal audits, and soliciting feedback from stakeholders.

4. Report Approval and Attestation

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 Kontron Canada Systems Inc. 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.

Jason Larocque



CEO Kontron Canada

May 15, 2025

I have the authority to bind Kontron Canada Systems Inc.