



## Kraken Robotics Inc. and Kraken Robotic Systems Inc.

### Report Prepared Pursuant to

### Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

#### 1. Introduction and Identity

This Report is produced by **Kraken Robotics Inc.** (referred to herein as "**Kraken**", "**our**", "**us**" and "**we**") for the financial reporting year ended December 31, 2024 (the "**Reporting Period**") and sets out the steps taken to prevent and reduce the risk that forced labour and child labour is used at any step in the production of goods in Canada or elsewhere or of goods imported into Canada.

This Report has been prepared and filed pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**"). Kraken and its wholly-owned subsidiary, Kraken Robotic Systems Inc. ("**KRSI**"), are the reporting Entities for the purposes of the Act.

#### 2. Steps Taken During the Reporting Period to Prevent and Reduce Risks of Forced Labour and Child Labour

A section on Modern Slavery and Human Trafficking has been in place in Kraken's Code of Business Conduct and Ethics Policy since March 2021, modelled after the Modern Slavery Act 2015 (UK). In addition, Kraken does not procure from high-risk countries such as China, Russia, Iran, and North Korea.

During the Reporting Period, we have taken the following steps:

1. In 2023 Kraken wrote and implemented during 2024 Forced Labour and Child Labour Policy and will be sending this out to our critical suppliers.
2. For all new suppliers, we added the following three-line items in Kraken's Supplier Onboarding Questionnaire that Kraken reviews for compliance:
  - a. Does your organization have a policy against Forced Labour?
  - b. Does your organization engage in Child Labour activity?
  - c. Does your organization have a policy against Child Labour?

#### 3. Structure, Activities and Supply Chains

##### Structure:

Kraken is a public company continued under the Canada Business Corporations Act on February 18, 2015. Kraken has three wholly-owned material subsidiaries. Kraken operates in Canada through Kraken Robotic Systems Inc., in Germany through Kraken Power GmbH, and our services business operates through PGH Capital Inc.

**Activities:**

Kraken is a marine technology company providing ultra-high-resolution sensors, power systems, and underwater robotic systems. Kraken offers its products and services to customers in the defense, oil & gas, commercial survey, ocean mining and search & salvage markets.

**Supply Chains:**

Through KRSI, we procure electronic and sonar components from numerous multinational companies which are predominantly in North America and Europe.

**4. Policies and Due Diligence Processes****Policies:**

Kraken has in place an employee code of conduct policy that includes a Modern Slavery and Human Trafficking policy, a Bribery and Corruption policy, a Code of Business Ethics, and a Whistleblower policy.

**Forced Labour and Child Labour Policy** – This policy requires that a supplier complete a questionnaire which includes questions pertaining to forced and child labour. Internal Kraken review determines if suppliers can be used in the organization supply chain based on responses to the questionnaire. There is a no use policy for any suppliers engaging in forced labour or child labour practices.

**Employee Code of Business Conduct and Ethics Policy** - The Code sets out the behaviors the Company expects of individuals representing Kraken. The Code is a guide to the general principles that inform the way we work with each other and our relationships with customers, suppliers, vendors, competitors, government bodies and the public, including our shareholders. It also provides practical advice to help individuals in their day-to-day work.

**Modern Slavery and Human Trafficking Policy** – This policy reiterates that modern slavery is a crime and violation of fundamental human rights. We expect the same high standards from all of our contractors, suppliers, and other business partners, and as part of our contracting processes, we will include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

**Bribery and Corruption Policy** – This policy recognizes that most countries have laws that prohibit bribery and corruption. Breaching these laws is a serious offence which can result in fines and imprisonment for individuals. We prohibit any individual working for or providing services to Kraken from making or offering any payment or other form of inducement to any person in order to attempt to secure an improper commercial advantage for our business. All individuals must be diligent in selecting and monitoring suppliers, contractors, agents, and partners and adhere to our due diligence procedures to ensure, among other things, that the third party is reputable and suitably qualified for the position. Such individuals must only be selected in the best interests of our business and will be required to adhere to this policy.

**Whistleblower Policy** – This policy outlines Kraken’s commitment to conducting our business with honesty and integrity and we expect all staff to maintain high standards. Any suspected wrongdoing should be reported as soon as possible. This policy covers all employees, officers, consultants, contactors, casual workers, and agency workers.

**Supply Chain Policy** – This policy outlines Kraken’s policy and expectations for its supply chain and procurement sources.

**Due Diligence Processes:** We request that new potential suppliers advise on their stance with regards to forced labour and child labour. We circulate our policy on forced labour and child labour internally and externally. If Kraken feels that there are suppliers who may engage in forced labour and child labour, we will investigate accordingly and go through the process of obtaining a new supplier.

Kraken requires every supplier to complete a supplier questionnaire within seven days. This questionnaire includes a compliance section that covers anti-corruption, modern slavery practices, ethical business practices and forced labour and child labour.

## **5. Forced Labour and Child Labour Risks and Steps Taken to Assess and Manage These Risks**

### **Identification of parts of its business and supply chains that carry a risk of forced labour or child labour:**

During the Reporting Period, no risks of forced labour or child labour in our business operations or our supply chains were identified.

Kraken does not procure from countries such as China, Russia, Iran, or North Korea. Kraken's supply chain is generally limited to North America and the European Union.

### **Risk Assessment/Management Steps Taken:**

Kraken has a supply chain policy in place. Please see full descriptions of Kraken's policies under Item 4 above.

## **6. Remediation Measures**

We have not identified any forced labour or child labour in our activities and supply chains during the Reporting Period and consequently, we have not undertaken any remediation measures.

## **7. Remediation of Loss of Income to the Most Vulnerable Families**

During the Reporting Period, we did not identify any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains, and accordingly no responsive remediation measures were taken.

## **8. Training**

A presentation was delivered to Kraken's senior management team about S-211 that summarized the Act and actions we are taking. Employees are required to certify that they have read Code of Business Conduct and Ethics Policy annually.

## **9. Assessing Effectiveness**

We assess the effectiveness in ensuring that forced labour and child labour are not being used in our business and supply chains through the use of ISO certified suppliers.

## 10. 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 the 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 Period listed above.

Date: May 7, 2025

Name: Greg Reid

Title: CEO, President and Director

I have the authority to bind the corporations.