

HUMAN RIGHTS AND TRANSPARENCY



HUMAN RIGHTS AND
TRANSPARENCY ACT REPORT

2022

1. About the Transparency Act

The Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Transparency Act, hereafter named the Act) entered into force on 1st July 2022 in Norway. The Act shall *"promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions."*

The Act applies to larger enterprises that are resident in Norway and that offer goods and services in or outside Norway. Kitron falls under the category "larger enterprises" in this context. This means that Kitron has three duties under the Act:

1. Carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises on a yearly basis.
2. Account for the due diligence by publishing an updated report on the company's website.
3. Give information about how Kitron addresses actual and potential adverse impacts upon written request from any internal or external stakeholder.

2. About Kitron

Kitron is a leading Scandinavian Electronics Manufacturing Services (EMS) company with operations in Norway, Sweden, Denmark, Lithuania, Germany, Poland, the Czech Republic, India, China, and the United States. The company is listed on the Oslo Stock Exchange.

Kitron manufactures and delivers anything from fully assembled electronic circuit boards to complete end products for customers globally. Related technical services like prototyping, industrialisation, material analysing, and test development are also key competencies offered by Kitron.

The Group Board of Directors bears the ultimate responsibility for Kitron's Human Rights and Transparency Act report, and the report is discussed and approved by the Board. For further information about our work on human rights, please contact info@kitron.com.



3. Our approach to human rights

Kitron opposes all forms of forced and compulsory labour. Kitron shall not engage in or support any kind of use of child labour. Kitron opposes discrimination in any form, whether this is based on race, nationality, gender, sexual orientation, or religion, and any form of trafficking and purchase of sexual services.

All units in Kitron shall comply with the UN's Universal Declaration on Human Rights, The UN's Convention on Rights of the Child, and International Labour Organisation Conventions (ILO conventions). Kitron shall comply with the human rights in the ILO conventions, specifically the labour rights and children labour avoidance conventions. Kitron is a UN Global Compact Signatory and supports the ten UN Global Compact principles.

Kitron follows OECD's due diligence guidance for responsible business conduct, which consists of the following six steps:

1. Embed responsible business conduct into policies and management systems
2. Identify and assess adverse impacts in operations, supply chains business relationships
3. Cease, prevent or mitigate adverse impacts
4. Track implementation and results
5. Communicate how impacts are addressed
6. Provide for or cooperate in remediation when appropriate



3.1. Embed responsible business conduct into policies and management systems

Kitron's Corporate Executive Management bears the responsibility for the Group's strategy, development, and day-to-day work. This means Corporate Executive Management is responsible for compliance with legislation and regulations and our Ethical Code of Conduct, as well as for the implementation of appropriate and effective initiatives to ensure that we reach our goals.

Kitron's policy, guidelines and procedures related to human rights and decent work conditions are stated in the following documents and management procedures:

- Ethical Code of Conduct
- Supplier Code of Conduct
- Whistleblowing policy

All documents are made publicly available through Kitron's website: <https://kitron.com/about-kitron#ethical-guidelines>.

3.1.1. Ethical Code of Conduct

The Ethical Code of Conduct presents Kitron's obligation and commitment to ethical business practices and describes the standards and requirements that Kitron employees must adhere to in their work. The Code provides a framework to ensure that Kitron complies with relevant local and international legislation, acts in accordance with internal policies and the company's values, and supports the UN's initiatives on human rights, children rights and labour conventions.

The Code applies to all Kitron board members, elected officers, permanent and temporary employees, hired staff, consultants and agents acting in or on behalf of Kitron. The Code also applies to all contractors, sub-contractors, suppliers, and sub-suppliers. It includes all companies in the Kitron Group.

3.1.2. Supplier Code of Conduct

In all activities, Kitron's suppliers must comply with applicable legislation, rules, and regulations in the countries in which they operate. Our suppliers are expected to support the UN's Universal Declaration of Human Rights and ensure that they are not complicit in human rights abuse.

In addition to the Ethical Code of Conduct, Kitron has established a Supplier Code of Conduct for suppliers and business partners. The Supplier Code of Conduct clearly communicates Kitron's expectations regarding labour rights, health and safety, the environment, and anti-corruption. If any legislation, rules, or regulations are in conflict with the Kitron Supplier Code of Conduct, the highest standard shall be applied.

Suppliers are expected to communicate the requirements of the Supplier Code of Conduct to all appropriate employees, suppliers or sub-contractors engaged in their supply chain. Suppliers should take steps to ensure that their suppliers and sub-contractors comply with the requirements of this Supplier Code of Conduct. Suppliers should also provide means for employees to report on or discuss non-compliance confidentially.

3.1.3. Whistleblowing procedures

All conditions that give rise to ethical issues or matters that could involve a breach of laws and which may cause legal liability, loss of value or reputation for Kitron should be reported. Kitron's staff has an obligation to report any criminal acts, harassment, discrimination, or circumstances where life or health might be in danger. For external parties, a report can be sent directly to the Chairman of the Group Ethics Committee, the CHRO email: whistleblowing@kitron.com.

Reporting may be done anonymously, but open reporting will normally facilitate a more expedient resolution of the matter. Kitron will not tolerate any form of retaliation against any person who has raised an ethical or legal concern in good faith, in line with Norwegian law. This applies even if the report does not turn out to be an actual violation. All reports of concern made in Kitron will be taken seriously and every report will be handled with confidentiality.

Kitron's whistleblowing routines contain detailed procedures for handling reports and can be found on the company's website: <https://kitron.com/about-kitron#ethical-guidelines>.

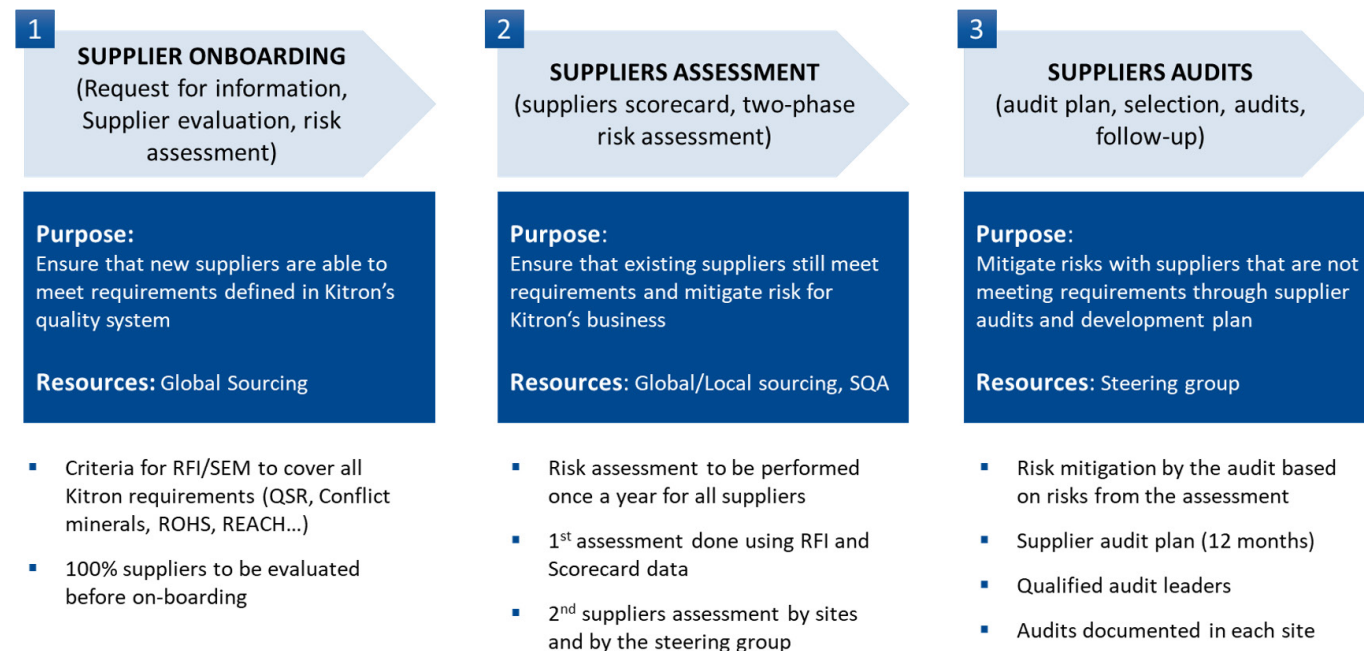
3.2. Identify and assess adverse impacts in operations, supply chains business relationships & cease, prevent or mitigate adverse impacts

At Kitron, we use the highest standards in the selection of our suppliers. Our main promise to any customer is that we want to be their long-term, sustainable partner. While the products and services we deliver are required to meet the highest quality requirements, we are fully committed to sustainable development, and we expect the same from our suppliers.

Kitron’s goal is to minimise negative environmental and social impacts from our supply chain. We expect our suppliers to adhere to all applicable laws and regulations, to the highest ethical standards defined in the Ethical Code of Conduct and Supplier Code of Conduct.

New suppliers, new requests for information (RFI) and conflict mineral reporting are handled by the global sourcing team, while local teams handle RFIs for existing suppliers and manage supplier dialogue and supplier coordination. To ensure that the same supplier data is collected regardless of category and country, Kitron has developed and implemented a web-based RFI (Request for Information). This data is then automatically uploaded into Kitron’s Supplier Evaluation Model (SEM), which is a part of the supplier assessment.

Kitron’s supplier due diligence procedure follows three main steps, as illustrated in the model below.



3.3. Track implementation and results

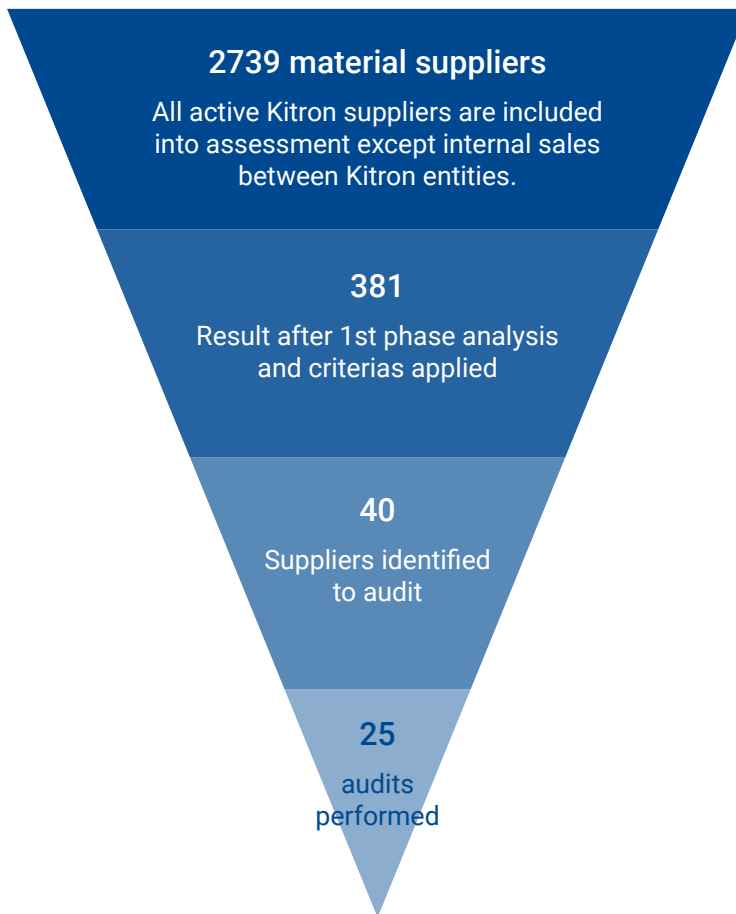
In 2022, Kitron had 2739 material suppliers. All of these were included in the first phase of the assessment, except internal sales between Kitron entities. Suppliers with no deliveries in the last 12 months are usually excluded from the assessment.

In the first phase, suppliers were rated with a risk score based on each supplier’s scorecard. Suppliers with low forecasted spend were excluded from further assessment.

All suppliers following a risk-based approach with a low evaluation score (381 suppliers in 2022) were further analysed, and a supplier’s RFI assessment score was added as additional weight to identify the highest-risk suppliers.

In the third phase, the risks associated with identified suppliers were discussed case by case within common groups of Kitron responsible employees and qualified audit leaders at each site, who decided which suppliers should undergo further assessment. In 2022, this was done for 40 suppliers. If the same supplier had been used in several Kitron manufacturing sites, one audit was performed addressing all concerns, which left us with 25 audits in total.

Audits were documented at each site, and goals and improvements were discussed with each supplier. If we see no improvements, the supplier will be phased out.



3.4. Communicate how impacts are addressed

This Human Rights and Transparency Act Report communicates how Kitron identifies and addresses human rights impacts in the company’s supply chain. Kitron will regularly communicate about our progress through these reports, as well as through the company’s annual sustainability reports.

3.5. Provide for or cooperate in remediation when appropriate

No human rights breaches were detected in the 2022 assessment. Kitron will provide for or cooperate in remediation when appropriate.

Kitron is a leading Scandinavian Electronics Manufacturing Services (EMS) company, delivering improved flexibility, cost efficiency, and innovation power through the value chain.

Kitron is a leading Scandinavian electronics manufacturing services company for the Connectivity, Electrification, Industry, Medical Devices, and Defence/Aerospace sectors. The group is located in Norway, Sweden, Denmark, Lithuania, Germany, Poland, the Czech Republic, India, China, and the United States. Included the acquisition of BB Electronics in January 2022, Kitron has about 2800 employees. Kitron manufactures both electronics that are embedded in the customers' own product, as well as box-built electronic products. Kitron also provides high-level assembly (HLA) of complex electromechanical products for its customers.

Kitron offers all parts of the value chain: from design via industrialisation, manufacturing, and logistics, to repairs. The electronics content may be based on conventional printed circuit boards or ceramic substrates.

Kitron also provides various related services such as cable harness manufacturing and components analysis, resilience testing, or sourcing any other part of the customer's product. Customers typically serve international markets and provide equipment or systems for professional or industrial use.



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