



# Report

on Fighting Against Forced Labor and  
Child Labor in Supply Chains Act



This Report is being prepared pursuant to the Fighting Against Forced Labor and Child Labor in Supply Chains Act (“Modern Slavery Act”) effective as of January 1, 2024. This Report covers the financial year which ended on March 31, 2024.

This Report is filed jointly by Avera Technologies Inc. on behalf of itself and its wholly-owned subsidiaries, hereinafter referred to collectively as the “company” or “Avera”.



## Structure, Activities and Supply Chain

Averna Technologies Inc. is a privately held corporation and the Canadian parent company of a group of subsidiaries located across North America, Europe, and Japan.

It is a global provider of automated test and quality assurance solutions for various industries. Its solutions and services include automated testing systems, software development, instrumentation, and integration and assembly. Depending on the nature of the projects and the client's needs, all Averna entities may be involved in the solution design, assembling, and/or installation of the solutions, as well as in the provision of consulting and/or post sales support services.

Averna's procurement activities are centralized at the headquarters located in Québec, Canada, where they are led by the global Logistics & Procurement team, managing local teams. The Logistics & Procurement team is responsible for procuring parts and materials for the Averna group, which includes identifying third-party suppliers, assessing their suitability, and concluding supply contracts with them. Processes, decisions, and operations related to logistics, procurement, or supply chain management are all subject to management oversight at the centralized headquarters in Canada.



## Policies and Due Diligence Processes

Averna implemented the following policies in connection with preventing and addressing forced labour and child labour in its operations and supply chain: a [Supplier Code of Conduct](#), a [Code of Ethics and Business Conduct](#) for all employees and consultants, a [Human Rights Statement](#), a [whistleblowing mechanism](#) for all internal and external stakeholders, and a robust onboarding process for suppliers and service providers. Averna's policies are all subject to regular reviews.

Furthermore, Averna amended its [Supplier Terms & Conditions](#) to include a new supplier onboarding process, which requires the signature of the Supplier Code of Conduct and the acknowledgement of the company's commitment to the United Nations Guiding Principles on Business and Human Rights.

In addition to communicating expectations regarding ethical labour practices, the Supplier Code of Conduct provides for several compliance measures to be implemented by Averna's suppliers, including appropriate and accessible documentation, training programs for employees, as well as the implementation of a whistleblowing and grievance mechanism that protects stakeholders from retaliation.

Due diligence processes and risk assessments that were completed considered the following factors: geographic location, industry sector, tier level of the supplier and whether the supplier was a manufacturer or a distributor. Such processes were designed in accordance with internationally endorsed standards and frameworks.



## Risk Assessment and Management

Following the complete mapping of Averno's supply chain, as well as the completion of the due diligence and risk assessments described above, Averno evaluated that only one of its suppliers did not provide enough information on itself and its supply chain. Averno was concerned that this supplier carried a risk of forced labor or child labor being used, which is why the company has stopped using the concerned supplier until further information and reassurance can be provided.

As for suppliers where risks could not be eliminated due to a lack of available information or ambiguity in the supplier's statements, such suppliers were promptly contacted and re-onboarded following the company's revised onboarding process, in which a Supplier Code of Conduct was signed, among other measures.

Throughout its various steps in connection with forced or child labor, Averno remained dedicated to addressing findings with a focus on human rights and sustainability, with an emphasis on ensuring that financial considerations did not compromise the company's moral compass.



## Remediation Measures

No instances of forced or child labor have been detected through Avera's thorough due diligence procedures and risk evaluations. Consequently, no measures were required to address the potential loss of income for the most vulnerable families as a result of efforts to eradicate the use of forced or child labor in the company's operations and supply chains.

Should risks materialize, Avera is prepared to implement the necessary remediation measures.



## Training Provided to Employees

Averna developed and deployed an internal legal and compliance tool that includes clear directives for supplier mappings, as well as guidelines on due diligence and risk assessments. This tool is made available to all employees and site usage analytics, such as engagement rates and user traffic, are continuously monitored. The legal and compliance tool is also integrated into the employee onboarding where their positions may involve supply chain-related or recruitment-related activities.

Averna will be fully embedding its legal and compliance trainings, especially those relating to supply chain management and human rights, into its integration of newly acquired subsidiaries. The group further informs its employees of the possibility to obtain translations of the legal and compliance platform and its contents in their desired languages for greater accessibility.

Logistic & Procurement personnel, as well as recruitment officers were given clear instructions as to Averna's compliance strategy aimed at preventing and addressing risks of forced or child labor in its operations and those of its suppliers.

As part of its ongoing ESG strategy and reporting, Averna appointed local and global representatives. Compliance and training related Canada's Modern Slavery Act were fully integrated into the ESG mandate to ensure that employees may benefit from the guidance of a local colleague in the language of their choice and to increase the visibility of the measures covered in this report.



## Assessing Effectiveness

Averna has taken the following steps to assess the effectiveness of the measures it has implemented in connection with eliminating or mitigating risks of forced or child labor in its activities and supply chain:

- ✓ Setting up a regular review or audit of the organization's policies and procedures related to forced labor and child labor;
- ✓ Tracking relevant performance indicators, including levels of employee awareness, numbers of cases reported and solved through grievance mechanisms, and numbers of contracts with anti-forced labor and anti-child labor clauses; and
- ✓ Working with suppliers to measure the effectiveness of its actions in connection with this report, namely by tracking relevant performance indicators.

In the next financial year, Averna hopes to identify and initiate partnerships with third-party organizations and certification processes that pertain to ESG, sustainability, and human rights within the company's activities and supply chain. Such partnerships and certifications will include independent assessments of Averna's management of its supply chain-related operations, including the selection and onboarding of its suppliers, remediation measures, governance framework, as well as training of its responsible employees.



## 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 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.

I have the authority to bind Avera Technologies Inc. and its wholly-owned subsidiaries.



---

Lori Seidman

Chief Legal Officer

On May 29, 2024