



MODERN SLAVERY REPORT

2023

1. Introduction

This report is produced by Hypertec¹ (“Hypertec” or the “Company” or “our” or “we”) for the financial year 2023 (the “Reporting Period”).

The report constitutes the first report prepared by the Company pursuant to Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) and describes measures in place at the Company to ensure that slavery and human trafficking is not taking place within the Company’s business and supply chains. In accordance with the Act, this report is published on the Hypertec website at: <https://hypertec.com/about-us/>.

2. Steps to prevent and reduce risks of forced labour and child labour

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We place the highest importance on respecting human rights while conducting our business activities everywhere we operate. We expect the same from our business partners.

During the Reporting Period, we took a number of steps to prevent and reduce the risk of forced labour and/or child labour in our business and supply chains. This included the mapping of supply chains, creating a matrix of the suppliers and creating a risk score based on geography. We conduct internal and external assessments of risks as well as addressing practices dealing with child and forced labour. We have developed and implemented due diligence policies and processes for identifying, addressing, and prohibiting the use of forced and child labour as well as conducting prioritization exercise to focus due diligence efforts on the most severe risks concerning these labor issues. We develop and implement contractual clauses, standards, codes of conduct and/or compliance checklists that will combat forced and child labor. We also have in place procedures to audit suppliers, monitor suppliers, develop, and implement grievance mechanisms and awareness material on forced labour and child labour.

3. Structure, activities and supply chain

Founded in 1984 and headquartered in Montreal, Quebec, Canada, we offer a wide range of technology products and services, which are trusted by cloud service providers, communication service providers, organizations in the financial services, media and entertainment, public sector and health services industries as well as other industries where cutting-edge technology solutions are critical to our customers’ success.

Our range of products and services include our own designed and manufactured application optimized servers, storage, workstations, and personal computers offered under our brand, a full suite of partner hardware and software products, business resiliency services, home health monitoring support services and a full range of complementary value-added services.

With thousands of customers located in every major continent, our Company brand names are recognized in our industry for consistent and reliable quality and innovation which are supported by our continuous commitment to research and development and to long term collaborative relationships with our customers and partners.

Hypertec Systems Inc. and Hypertechnologie Ciara Inc.

4. Policies, Governance and Due Diligence processes

Our Company uses the two elements in the due diligence processes, by embedding responsible business conduct into policies and management systems and by identifying and assessing adverse impacts in operations, supply chains and business relationships.

4.1 Policy Statement on Social Accountability (the "Statement")

Hypertec's commitment to upholding human rights is stated in a number of our policies, including our Responsible Business Alliance Code of Conduct and our commitment to the SA8000 social accountability standard. These commitments reiterate our position not to use child labour or forced labour in any of our business associations. In support of this commitment, we expect all employees at all levels, as well as our business partners, to act accordingly. The Policy Statement on Social Accountability can be found at <https://hypertec.com/about-us/> in the Policies and Positions section.

4.2 Responsible Business Alliance (RBA) Code of Conduct (the "Code")

The Code applies to all employees, business participants and suppliers. The Code covers ethical standards, human rights and labour standards of workers, health and safety standards, environmental standards, and the establishment of a management system with respect to the Code. The Code can be found at <https://hypertec.com/about-us/> in the Policies and Positions section.

4.3 Supply Chain Responsibility Policy (the "Policy")

In line with our Company's vision for our suppliers, we actively engage the supply chain by the adherence of suppliers to our Supplier Chain Responsibility Policy. This Policy details our expectations of suppliers and specifically includes provisions ensuring that suppliers observe all relevant laws, social norms, standards, and treaties worldwide including the protection of human rights, the prohibition of child labour and forced labour. Supply Chain Responsibility Policy can be found at <https://hypertec.com/about-us/> under the Policies and Positions section.

5. Assessing and managing our risk

Risk assessment for our suppliers is managed by our vendor questionnaire and internal review reports. Hypertec uses a risk-based approach to assess and manage its risk of forced labour and child labour. Our approach helps us prioritize our efforts and adjust our actions. Our methodology to identify risks was to break down potential areas of risk to the Company. This resulted in twelve areas for risk assessment. Two of them being SA02 Child Labour and SA03 Forced Compulsory Labour under the SA8000 standard. These areas of risk would then be given a risk probability and an impact level and would result in a rating. Our current risk rating for both standards is "non-significant."

6. Remediation Measures

Hypertec has established and implemented a written policy and procedure to define the objectives and responsibility for monitoring, and controlling child-forced labour risk through governance, grievance mechanisms, and remediation actions. The following documents that detail this are the RBA Code of Conduct, the Supply Chain Responsibility Policy, the Responsibly Sourced Minerals Policy, and the Policy Statement on Social Accountability. The Human Resources department is made aware of any internal grievances through: hr@hypertec.com. Any external grievances may start with a Company representative and then are escalated to the immediate manager or HR department either verbally or in written form. We have not identified any violations of these obligations and therefore we have not had to address the remediation of loss of income for most vulnerable families or other actions or compensations related to forced labor and child labor.

7. Training

Hypertec's employees receive regular tailored training on ethical topics and our Company policies. All new employees are assigned a mandatory orientation training package. In 2024, Hypertec intends to provide training to targeted audiences that will include child and forced labour awareness.

8. Assessing effectiveness

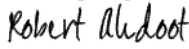
Hypertec has in place several measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. While we have not yet taken any actions to assess the effectiveness of those actions, Hypertec intends to assess its effectiveness in preventing and reducing risks in its activities and supply chains at a later stage.

9. Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of the Company on April 2, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this 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 the Company.

DocuSigned by:

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Robert Ahdoot, CEO
Date: April 2, 2024