



## Forced Labour and Child Labour in Supply Chains Report

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### 1. ABOUT THIS REPORT

This report was prepared in accordance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") by Samtec, Inc. ("Samtec"), covering its last financial year ending December 31, 2023. References in this report to "Company", "we", "our" and similar terms are to Samtec.

This report outlines the key actions taken by the Company within the last financial year to prevent and reduce the risk of forced labour or child labour in its business and supply chain. The Company has filed separate reports under the *California Transparency in Supply Chains Act* and the *UK Modern Slavery Act of 2015*.

### 2. PREVENTING AND REDUCING RISKS OF FORCED LABOUR AND CHILD LABOUR

At Samtec, we are committed to providing a positive work environment for all our employees and to conducting business across the globe in an ethical and honest manner, respecting local customs and practices while requiring our employees, business partners, and their subcontractors to abide by applicable laws, socially and environmentally conscious practices, and ethical and honest business practices.

We also recognize the tragedy involved in human trafficking and modern slavery, including forced labour and child labour, and will not tolerate these crimes within Samtec or the suppliers with which we do business.

During our last financial year, we have taken the following steps to prevent and reduce the risk that forced labour or child labour be used at any step of the production of goods in Canada or elsewhere by us or of goods imported by us into Canada:

- We mapped our activities and our supply chain through a risk assessment and prioritization exercise to inform our due diligence and audit efforts.
- We continued to engage with our suppliers through audits and tracking of supplier performance by administering annual compliance questionnaires, assessing suppliers through a Risk Priority Number ("RPN") system to evaluate and rank potential risk areas and levels, including those related to forced labour and child labour, and conducting on-site audits for certain suppliers based on a combination of their RPN and random selection, as part of our broader sustainability initiative.
- We have continued to abide by the provisions of our Code of Conduct, Policy Manual and Supplier Quality Assurance Manual which contain a prohibition of forced and child labour as well as grievance mechanisms allowing for the reporting of violations. We request and expect that our suppliers adhere to our supplier Code of Conduct and we have been

requiring our suppliers to establish processes that align with the standards set forth in our Code of Conduct as well as with the Code of Conduct of the Responsible Business Alliance (the "RBA Code of Conduct").

- We continued to gather information on worker recruitment and maintaining internal controls to ensure that all workers at Samtec are recruited voluntarily and treated fairly through our recruitment process.

Details of the above measures are set forth in this report.

### 3. ABOUT US & OUR SUPPLY CHAIN

Headquartered in New Albany, Indiana, USA, Samtec is a service provider and a manufacturer of a broad line of electronic connectors, including IC-to-Board/Ultra Micro, High-Speed Board-to-Board, High-Speed Cables, Future-Proof/Active Optics, Flexible Stacking, and Micro/Rugged components and cables. We employ approximately 6,750 employees in more than 40 locations across the globe, including a small team of fewer than 10 employees in Canada.

We operate 15 manufacturing facilities strategically located across China, Malaysia, Taiwan, Vietnam, Costa Rica, and the United States, fostering a diverse and responsive production network. Samtec's products distributed in Canada may originate from any of these international locations, as we draw on the strengths of our diverse and agile supply chain to source parts from the facility best positioned to fulfil customer demand.

The majority of our suppliers are based in the United States, with substantial contributions from Asia (China, Taiwan, Singapore, Japan, Malaysia, Hong Kong, South Korea, Thailand) and Europe (Germany, Slovakia, Switzerland, England), as well as Canada, Costa Rica and Israel to meet our additional sourcing needs.

Our extensive network includes thousands of suppliers which are rigorously vetted through a comprehensive onboarding procedure to safeguard against unethical practices and honor our commitment to corporate responsibility. This includes ensuring that they are not on any lists of bad actors, such as the Bureau of Industry and Security of the U.S. Department of Commerce's Denied Persons list, Office of Foreign Assets Control of the U.S. Department of Treasury's Sanctions Lists and the Consolidated list of persons, groups and entities subject to EU financial sanctions. In alignment with global standards and our ethical values, we do not engage in business with sanctioned countries, and we have ceased all dealings with Russia, Kazakhstan, and Belarus.

In alignment with the Uyghur Forced Labour Prevention Act (UFLPA), we categorically refuse materials from the Xinjiang Uyghur Autonomous Region or any entities associated with the region's subsidized manufacturing programs.

### 4. POLICIES AND DUE DILIGENCE PROCESSES

Our internal policies and due diligence processes integrate responsible business principles and underpin our zero-tolerance approach to forced labour and child labour in our supply chains or in any part of our business.

#### 4.1 Internal Codes and Policies

Our Code of Conduct and Policy Manual, which we continuously review and update, encapsulate the Company's global commitment to integrity, ethical business practices, and adherence to applicable laws and socially responsible behaviours, through the integration of the following principles:

- Ethical Behaviour – We expect all employees and suppliers to act ethically, with openness and transparency, and to comply with all laws and regulations. This includes being diligent about adhering to import, export, and transfer laws and regulations, such as U.S. export controls, trade sanctions, and a proactive stance of not conducting business with high-risk countries.
- Human Rights – We believe in the utmost importance of defending human rights, reflecting principles from the United Nations Global Compact and Universal Declaration of Human Rights. Samtec takes a firm stand against human trafficking and slavery, insisting on humane treatment across the organization and our supply chain. We also guarantee that employment is freely chosen, with no forced or bonded labour, and that all employees can leave their jobs voluntarily.
- Child Labour Prohibition – Child Labour is strictly prohibited. We ensure that all labour practices, including working hours, wages, and the treatment of minors, adhere to local laws and regulations. We verify employees' ages through government-issued ID checks at hiring and direct minors to appropriate resources, the whole in accordance with local laws.
- No Discrimination or Harassment – We stand against discrimination, advocating for equality in employment decisions. Our health and safety commitment is to provide a workplace that safeguards the well-being of our associates and visitors through compliance with legal requirements, provision of safe equipment, and active engagement with employees. Samtec has no tolerance for harassment, including any form of verbal or physical conduct that creates an intimidating, hostile, or offensive work environment.
- Anti-Corruption – Employees must not engage in any form of bribery or corruption, in compliance with the *Foreign Corrupt Practices Act* (FCPA) and other similar international laws. Any infractions discovered is investigated and addressed as appropriate.
- Freedom of Association – The right to freedom of association is protected at Samtec, and the Company is dedicated to creating a positive, dignified, and respectful work environment.
- Health and Safety – Health and safety are paramount, and Samtec is committed to a safe work environment, adherence to safety rules, and proactive management of any workplace hazards.
- Conflict Resources Monitoring – We ensure that our products and supply chain are free from materials sourced from conflict-affected areas, particularly from regions like the Democratic Republic of Congo. This aims at ensuring that the company's products and supply chain remain free from conflict-related issues.

We expect all our employees to meet the standards set forth in our Code of Conduct and Policies. Any violation of the Code of Conduct by employees may lead to disciplinary actions. Employees

are expected to report any potential violations, including through a confidential Ethics Report Email. The Company ensures that no retaliation or disciplinary action will be taken against those who report such issues.

## **4.2 Contractual Provisions**

Pursuant to our purchase orders, our suppliers are required to adhere to the standards set forth in our Supplier Quality Assurance Manual. This includes the development of processes that align with our Code of Conduct, which strictly prohibits forced and child labour. Furthermore, our Supplier Quality Assurance Manual mandates that suppliers establish processes consistent with the RBA Code of Conduct. The manual also mandates the implementation of grievance mechanisms to facilitate the reporting of any breaches of conduct.

The RBA Code of Conduct is based on internationally recognized standards and covers several key areas, ensuring, among other things, that participants respect workers' rights, provide a fair and safe work environment, minimize environmental impact, adhere to strict ethical standards, and maintain robust management systems to comply with legal and customer requirements, aligning with the RBA Code of Conduct.

## **4.3 Recruitment**

At Samtec, we have a long and rich history of treating our employees with dignity and respect, at the recruitment stage and throughout the employment relationship. Our recruitment process is managed in-house entirely, without relying on placement agencies. It includes essential steps such as identity verification, social insurance validation, form completion, and comprehensive background checks. These background checks encompass criminal records, previous employment history and references, and denied party screenings.

No matter where we operate, we strive to uphold ethical recruitment practices and safeguard labour rights, therefore mitigating the risk of forced labour or child labour in our operations.

## **4.4 Due Diligence Processes**

Upon initiating a relationship with a supplier, Samtec conducts a thorough risk evaluation to effectively manage and reduce potential risks. A key element of our onboarding process is our Forced Labor Violations Act Questionnaire, which mandates our suppliers to disclose information on their social policies and practices, including questions on their supply chain mapping and any dealings they may have with certain countries or regions known for human rights abuses. We also monitor traceability of conflict minerals through a survey completed by relevant suppliers, thereby ensuring that purchased items are free from materials sourced from conflict-affected areas, that the relevant suppliers have established a sourcing policy, due diligence measures and procedures for rectifying any issues that arise.

As part of our onboarding process, Company auditors carry out in-person assessments at supplier locations which include a review of environmental and social responsibility policies. Audit findings are diligently reported to corporate management, tracked, and acted upon, with the frequency of audits dictated by our risk assessment results.

Our ongoing risk evaluation and monitoring program requires an active verification of compliance with our labour standards by our suppliers and includes an annual audit questionnaire that our suppliers complete to verify compliance with our standards and the classification of any risks

identified. The annual scoring of all suppliers and assignment of a RPN to each supplier guides the need for further evaluation or targeted follow-ups. The RPN system aids in determining the frequency of our audits and selecting suppliers for both scheduled and random on-site reviews based on their risk levels, which allows for proactive responses to both human rights concerns and for informed decision-making process when it comes to supplier certification and auditing. Where applicable, corrective measures are taken to ensure alignment with our labour standards.

Our audit process encompasses the principles of the UN Global Compact, as well as social components essential to ensuring ethical labour practices.

## **5. RISK ASSESSMENT**

As we ensure strict compliance with local laws, international labour standards and our internal policies across our manufacturing facilities, we believe that the risk that forced or child labour is used in our direct operations is low.

On the procurement side, as part of our efforts to identify risks, we have completed the mapping of our direct (Tier 1) suppliers, gathering detailed information on them and identifying any potential risk factors. Our mapping is reviewed and updated annually to inform our selection process, as we prioritize established longstanding relationships with reputable suppliers. Additionally, as a C-TPAT Tier II certified company, Samtec has engaged in the Customs-Trade Partnership Against Terrorism ("C-TPAT") evaluation process and has integrated its principles into its risk assessment program to help identify security gaps and implement specific security measures to fill those gaps on an ongoing basis. This U.S. Customs and Border Protection initiative is designed to safeguard the trade industry from terrorism by identifying security vulnerabilities and best practices, with the added benefit of helping to ensure that our supply chain does not inadvertently support forced labour or child labour. Through this initiative, we take steps to identify and mitigate risks in our supply chain, thereby reinforcing our commitment to ethical and secure trade practices.

Based on our analysis and considering that a significant portion of our sourcing is concentrated in the US and Europe, we believe that the risks related to our Tier 1 suppliers are limited.

However, we recognize that there is no such thing as a risk-free supply chain and although we have not identified any definitive areas of concerns, we acknowledge that forced labour and child labour risks may arise from the involvement of Tier 2 and Tier 3 suppliers, as well as suppliers further down the supply chain, more specifically in mining, and oil and gas extraction, as well as manufacturing.

To date, we have not received any reports or identified any specific instances of forced labour or child labour within our operations or supply chain. As such, no measures were taken to remediate such instances or to remediate the loss of income to the most vulnerable families that may result from such measures.

## **6. TRAINING AND CAPABILITY BUILDING**

During our last financial year, we did not provide formal training specifically addressing forced labour and child labour to our employees. However, all our employees have to comply with our Code of Conduct and Policy Manual, which are provided to our workforce as part of the onboarding process.

## 7. ASSESSING THE EFFECTIVENESS OF OUR APPROACH

At Samtec, we systematically assess our relevant policies and procedures as an integral part of our management review. As a result of these evaluations, we implement corrective actions and amend our policies, as deemed necessary.

Although instances reported through our reporting channels are few, we continue to monitor and record all reports thoroughly. We expect our employees and suppliers to immediately speak up when something does not seem right. This includes any potential violations of our Code of Conduct and Policy Manual.

We also ask our suppliers to provide feedback on their practices through surveys and questionnaires.

At Samtec, we continue to strive to ensure the total absence of any slavery and human trafficking within our supply chain which allows us to bring our products to market. We are dedicated to the continuance and expansion of these important efforts.

## 8. APPROVAL AND ATTESTATION

This report was approved by the Board of Directors of Samtec, Inc. on January 1, 2025 pursuant to subparagraph 11 (4)(a) of the Act and constitutes Samtec's report for the financial year ending December 31, 2023.

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 Company. 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 indicated above

I have the authority to bind Samtec, Inc.



Full name: John Shine

Title: President and Sole Director

Date: 2/3/25