

## Softchoice's Fighting Against Forced Labour and Child Labour Annual Report

Softchoice's Fighting Against Forced Labour and Child Labour Annual Report (the "**Report**") is made in accordance with the applicable requirements of Canada's "*Fighting Against Forced Labour and Child Labour in Supply Chains Act*" (the "**Act**").

### 1. Introduction

Softchoice is committed to conducting our business in a responsible and ethical manner, respecting the dignity and rights of all people, and protecting the environment. As a leading North American provider of IT solutions and services, we recognize our responsibility to ensure that our activities and supply chains are free from forced labour and child labour, and this is reflected in the policies and practices throughout our company.

In line with the requirements of the Act, this Report describes the activities of Softchoice Corporation, and its direct or indirect wholly owned subsidiaries that are reporting entities under the Act, to limit the risks of forced and child labour in our business and supply chains.

### 2. Our company

Softchoice is a software and cloud-focused IT solutions provider operating in Canada and the United States. We design, procure, implement and manage complex multi-vendor IT solutions that enable our customers' digital transformations.

Softchoice Corporation was initially incorporated under the *Canada Business Corporations Act* on November 11, 1989. On June 1, 2021, Softchoice Corporation became a publicly traded company, listed on the Toronto Stock Exchange (TSX: SFTC) and continues to

### 3. Our business and supply chain

#### a. Our business

Softchoice has office locations across Canada and the United States and employs approximately 2,000 individuals. As part of our

This Report covers activities from January 1, 2023, to December 31, 2023 (the "**Reporting Period**").

This is a joint report under the Act for the following reporting entities (the "**Reporting Entities**"):

- Softchoice Corporation (Canada)
- Softchoice LP (Ontario)
- Softchoice Canada Inc. (Canada)
- Softchoice Corporation (New York)

The information in this Report applies generally to all Reporting Entities. In this report "we", "us", "our", "company" and "Softchoice" means collectively, the Reporting Entities as defined above.

operate as Softchoice Corporation. Additional information about our company can be found in our [Annual Information Form](#) dated March 27, 2024.

Information about Softchoice's executive leadership team can be found at <https://www.softchoice.com/about-softchoice/leadership-team>.

Information about Softchoice's board of directors can be found at <https://investors.softchoice.com/governance/board-of-directors/default.aspx>.

pre-employment checks we verify that all our employees are legally permitted to work in their applicable jurisdiction.

Softchoice does not manufacture goods in Canada or elsewhere. Due to the nature of our



business and the products that we sell, we consider our business and supply chains to be at a low risk of forced or child labour. Based on the Free Global Slavery Index, Canada is considered low on the vulnerability to forced labour and child labour scale.

#### **b. Supply chain**

Softchoice's supply chain consists of distributors, manufacturers, vendors, suppliers, partners and others with whom we conduct business ("**Supply Chain Partners**").

A relatively small portion of the products we resell are hardware, with the balance being cloud and electronically delivered software products. We source products either directly from reputable vendors or manufacturers ("**OEMs**") (such as Microsoft, Cisco, Google, AWS, VMware, Lenovo, etc.) or through our trusted third-party distributors who have direct relationships with the OEMs. Most of the hardware we sell and import into Canada comes from OEMs based in Canada and the United States.

### **4. Addressing forced and child labour in our business and supply chains**

#### **a. Overview**

Softchoice acts with a high standard of governance and integrity, consistent with best practices in our industry, regulatory expectations and our status as a public reporting issuer listed on the TSX. This involves implementing policies, structures, and processes based on integrity, honesty, respect, accountability, transparency, consistency, fairness, equity, and rule of law.

Softchoice is committed to conducting its business in a manner that respects the rights and interests of all its stakeholders, including its customers, employees, Supply Chain Partners, and communities. Below is an overview of the main aspects of Softchoice's supply chain due diligence, including our policies, procedures, and practices.

#### **b. Policies**

Softchoice has a Code of Conduct that sets out the principles and expectations for all our employees, directors, officers, and agents. The Code of Conduct expressly requires compliance with all applicable laws and regulations and that we operate with the highest standards of ethical conduct. Specifically, to address and protect against forced and child labour, Softchoice implemented a "Modern Slavery Policy" which

prohibits any form of forced and child labour and seeks to ensure forced and child labour are not taking place anywhere in our business or supply chains.

Softchoice also has a "Partner Code of Conduct" that applies to our Supply Chain Partners. Our Partner Code of Conduct requires all our Supply Chain Partners to avoid conflicts of interest, operate with the highest standards of ethical conduct, and as well as comply with all applicable laws and regulations, which includes complying with fair labour practices and ensuring no corruption, forced or child labour, human trafficking, or slavery are used in their operations or supply chains. We require all our Supply Chain Partners to acknowledge the Partner Code of Conduct as a condition of doing business with us.

Softchoice's compliance team, consisting of the Legal, Risk and Compliance, and Human Resources departments, are responsible for implementing and enforcing Softchoice's policies. We continuously review and update our policies and practices to reflect the evolving standards and expectations of our stakeholders, and to align with the best practices and benchmarks of our industry.

### c. Supply chain diligence

Softchoice conducts due diligence in its supply chain to ensure that products and services are sourced, manufactured, and delivered in accordance with a high standard of responsible business conduct, environmental stewardship, and social and governance initiatives.

From a supply chain perspective, we source most of our products via authorized distributors, who maintain the downstream relationships with the OEMs. If the product is not available through our distributors, we onboard suppliers in accordance with our standard onboarding process, which includes ensuring the product is consistent with Softchoice's core offerings and entering into contractual agreements which require our suppliers to comply with applicable laws and our Partner Code of Conduct.

While Softchoice relies on our Supply Chain Partners to self-audit and monitor their compliance and that of their own supply chains, Softchoice has implemented processes to verify that our material Supply Chain Partners (e.g. Microsoft, Cisco, Google, AWS, VMware, Lenovo) have comparable policies and practices in place.

The methods through which Softchoice monitors and evaluates its Supply Chain Partners include:

- Verifying they have similar policies and statements in place;
- Where necessary, engaging further to understand the measures they take to protect their business and supply chain from forced and child labour risks, which may include requesting self-assessments and certifications;
- Reviewing their performance and feedback from customers and stakeholders; and
- Taking corrective actions and imposing sanctions for non-compliance.

Softchoice will not support or have any business dealings with any third party

knowingly involved in forced or child labour. We have a zero-tolerance policy for any material violations of our Partner Code of Conduct, and we reserve the right to terminate our relationship with any Supply Chain Partner that fails to comply with our standards and expectations.

### d. Reporting issues and addressing concerns

We require reporting of any concerns or violations of our policies, and forced and child labour laws. Softchoice maintains an Ethics Reporting Program which allows anonymous reporting, as permitted by applicable law, and incorporates a strict no retaliation policy. Our policies also include procedures for employees or Supply Chain Partners who fail to meet these requirements, which may include discipline or dismissal from employment, or termination of the relevant contract or business relationship.

### e. Training

To ensure an understanding of the risks of forced or child labour in our business, Softchoice provides training for its employees on ethical business practices. Upon hire and on an annual basis, all Softchoice employees are required to complete mandatory training, which includes reviewing Softchoice's Modern Slavery Policy and Code of Conduct and attesting to their respective understanding and compliance with such policies.

### f. Remediation and assessing effectiveness

In the event Softchoice is informed of or discovers the actual or potential presence of forced or child labour in our activities or supply chains, Softchoice will investigate and take appropriate remedial measures. During the Reporting Period, Softchoice did not identify any instances of forced or child labour and as such, was not required to take any remedial measures, including to remediate loss of income.

Given the low risk of forced and child labour in our business and supply chain, we have not



taken actions to assess our effectiveness in preventing and reducing risks of forced and

child labour in our activities and supply chains during the Reporting Period.

## **5. Corporate Social Responsibility**

### **a. Environmental Sustainability**

Softchoice recognizes the importance of minimizing its environmental impact and promoting sustainability in its supply chain. Softchoice strives to reduce its greenhouse gas emissions, energy consumption, waste generation, and resource use both internally and throughout our procurement and distribution processes.

### **b. Social Responsibility**

Our commitment to social responsibility centers on building a more equitable and

inclusive organization where our people feel welcome and empowered to succeed and mobilizing our talent and resources to positively impact our communities and society.

### **c. Governance Initiatives**

We maintain sound governance and rigorous oversight practices, ensuring we operate with transparency, accountability, and ethical conduct across all levels of our organization. This builds trust among our stakeholders and protects the interests of our shareholders, employees, partners and other stakeholders.



## Approval and Attestation

This report is for the Reporting Entities subject to the Act as set out in Section 1 above and has been approved by Softchoice Corporation's Board of Directors pursuant to subparagraph 11(4)(b)(ii) of the Act.

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 Reporting Entities. 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.

I make the above attestation in my capacity as a director of the Board of Directors of Softchoice Corporation for and on behalf of the Board of Directors of Softchoice Corporation.

I have the authority to bind Softchoice Corporation.

*"John MacIntyre"*

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John MacIntyre  
Director and Chair of the Corporate  
Governance and Nominating Committee of  
the Board of Directors of Softchoice  
Corporation  
Date: as of April 15, 2024

*"Andrew Caprara"*

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Andrew Caprara  
President and CEO, Softchoice Corporation  
(including in its capacity as general partner of  
Softchoice LP), Softchoice Canada Inc,  
Softchoice Corporation (US)  
Director of Softchoice Corporation,  
Softchoice Canada Inc. and Softchoice  
Corporation (US)  
Date: as of April 15, 2024