



STARTECH.COM LTD.

**FY 2023 Bill S-211 Report on Forced Labour and Child
Labour in Supply Chains**

May 15, 2024

Introduction

StarTech.com is committed to acting ethically in all our business dealings. We accept and agree with the role that global companies must play in combatting forced labour and child labour in their supply chains and are working to enhance and improve our efforts in this area. We view this report and the efforts described herein as part of our wider framework of corporate social responsibility (referred to as “CSR”). We believe that StarTech.com’s continuing efforts to be a socially responsible company are not only expected by our customers, our partners and our employees, but that they underpin the competitive abilities and ultimately, of the long-term sustainability of the company.

This report has been prepared in compliance with Canada’s new *Fighting Against Forced Labour and Child Labor in Supply Chains Act* (the “Act”) by StarTech.com Ltd. (“StarTech.com” or the “Company” or “our” or “we”) for the fiscal year ended November 30, 2023 (the “Reporting Period”). The statement applies to StarTech.com Ltd., a company incorporated pursuant to the laws of the Province of Ontario, Canada. StarTech.com Limited, a subsidiary of the Company, also reports under the UK *Modern Slavery Act 2015*.

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

In general terms, StarTech.com took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in the business and supply chains:

- On-site vendor audits engaging with a 3rd party auditor or StarTech.com employees for compliance with various laws and the expectations set out in the Vendor Questionnaire and CSR Vendor Audit Checklist.
- Annual declaration from vendors for support and respect of internationally proclaimed human rights, elimination of all forms of forced and compulsory labour, and abolition of child labour.
- Continued development of CSR policies and procedures, including training material on human trafficking including forced and child labour for employees to complete through online modules beginning in 2024.

The details of the above actions are outlined in this Report.

2. Entity’s structure, activities, and supply chains.

StarTech.com creates, distributes, and sells a portfolio of IT accessories. The Company’s purpose is to empower its customers, IT professionals, and business users to improve performance by easily creating the critical connection between them and their productivity tools. The Company’s strategic intent is to make its products easy to identify, find, obtain, and use, when and where they are needed, which it reflects in its proprietary expression “Hard to Find Made Easy.”

Currently, StarTech.com has approximately 4,300 active SKUs which are in turn divided into product categories including the following: cables and network cables; computer cards and adapters; data

storage; digital display cables; display and video adapters; display mounts; docking stations and hubs; keyboard/video/mouse switches; multiport adapters, networking cables and networking; racks and enclosures; video display connectivity; and workstation accessories. StarTech.com partners with approximately 121 suppliers in eight countries to manufacture its products. StarTech.com engages with these suppliers in an Original Design Manufacturer (ODM) arrangement, where the supplier designs and manufactures the product and then applies the StarTech.com brand.

StarTech.com Ltd. is headquartered in London, Ontario, Canada and is the parent company to a number of global subsidiaries. StarTech.com Ltd. is responsible for identifying, sourcing, and maintaining relationships with vendors and suppliers, and does so pursuant to inter-company arrangements with its global subsidiaries. The description of actions throughout the report taken by StarTech.com apply to the Company as well as its global subsidiaries.

3. Policies and due diligence processes in relation to forced labour and child labour.

Policy

StarTech.com communicates its expectation that its supply chain is free of forced labour and child labour to new suppliers and to suppliers with which it has ongoing relationships. In addition, as part of its annual Vendor Questionnaire process and CSR Vendor Audit Checklist, StarTech.com requests its suppliers make the following declarations regarding human rights and labour practices:

1. Vendor agrees to support and respect the protection of internationally proclaimed human rights; and make sure they are not complicit in human rights abuses.
2. Vendor agrees to uphold the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

StarTech.com expects its suppliers to cascade these requirements to their respective supply chains.

If a supplier does not make the declarations noted above in its annual Vendor Questionnaire, StarTech.com's Supply Chain organization will follow up with the supplier to determine the reasons why the declaration was or cannot be made. The risk assessment and management processes below detail the consequences of a non-declaration by a supplier.

StarTech.com continues to work at formalizing its expectations with respect to ethical sourcing, forced labour and/or child labour, human trafficking and human rights into formal policies. StarTech.com is working on a new employee Code of Conduct and a Modern Slavery and Human Trafficking Policy. In the future, StarTech.com intends to record its supplier expectations in a formal Supplier Code of Conduct.

StarTech.com has base policies which all new employees are expected to review and sign upon entering the company. In addition, it has initiated a global ethics hotline for employees to report unethical behaviors. Employees are encouraged to report potential compliance violations to their

supervisor or through the hotline, which would include reporting on any potential violations related to forced labour and/or child labour.

Due Diligence

In fiscal year 2023, StarTech.com employed or engaged a dedicated IRCA certified Social Systems Auditor, a Project Manager and a third-party auditor, all located geographically close to its supply chain, to perform audits for compliance with various laws and the expectations set out in the Vendor Questionnaire and CSR Vendor Audit Checklist. These audits can include either (a) in person inspections of supplier facilities where StarTech.com products are manufactured; and/or (b) completion of the Vendor Questionnaire coupled with proof of CSR certification from a reputable third-party certification body (certifications from bodies such as BSCI, SMETA, SA8000 or EICC are accepted). The results of those audits are communicated to senior employees in StarTech.com's Supply Chain organization and if appropriate, elevated to senior management in accordance with StarTech.com's risk escalation policies and procedures.

In addition to the regular audit process above, StarTech.com has developed specific procedures related to vendor sourcing and selection including a CSR impact and risk assessment sheet that ranks suppliers against high-risk vs low-risk regions. As part of StarTech.com's vendor sourcing process, all potential new vendors must answer a vendor self-audit questionnaire, which includes CSR questions on forced labour and/or child labour. The vendor sourcing process is only completed when all concerns on CSR which may be identified in the self-audit have been addressed to StarTech.com's satisfaction. The new vendor selection process also includes a manufacturing audit and a CSR audit by either a StarTech.com employee or representative or a third-party auditor. The vendor must have a passing score to be approved and added to StarTech.com's vendor database.

During the fiscal year ended November 30, 2023, StarTech.com performed the following activities in regard to its due diligence and management of forced labour and/or child labour risks and CSR program:

- The SA8000 Certified Social System Auditor and Senior Supplier Quality Engineer (SQE) visited 7 new vendors;
- Fourteen third party vendor audits were completed at the request of StarTech.com; and
- 100% of the annual Vendor Questionnaire and corporate social responsibility (CSR) Vendor Audit Checklist were completed with existing vendors, with additional questions posed to various vendors throughout the year.

As at year end 2023, 33% of StarTech.com's current vendor base has provided CSR certifications from third-party certification bodies.

4. Parts of the business and supply chains that carry a risk of forced labour or child labour being used and steps it has taken to assess and manage risk.

StarTech.com has identified that the risk of forced labour or child labour taking place occurs in its supply chain. As StarTech.com does not manufacture products directly and substantially all its global employees are located in Canada, the United States of America, the United Kingdom and the

European Union, StarTech.com does not believe that it has any risk of forced labour and/or child labour in any other area of its business.

Following each audit or annual Vendor Questionnaire cycle, results are analyzed, and an impact assessment is prepared by StarTech.com's Supply Chain organization. Depending on the impact, improvement plans will be launched with the supplier containing specific deliverables and timelines to complete the improvement activities. StarTech.com reserves the right to terminate a supplier relationship if its audits show the supplier has failed to adhere to the expectations set out in the Vendor Questionnaire or if the audit reveals slavery or human trafficking activities within a supplier relationship.

5. Measures taken to remediate any forced labour or child labour, and measures taken to remediate the loss of income to the most vulnerable families that result from any measure taken to eliminate the use of forced labour or child labour in activities and supply chains.

StarTech.com did not identify any instances of forced or child labour in fiscal 2023; as a result, no remediation measures were required.

6. Training provided to employees in forced labour and child labour.

StarTech.com has secured online learning resources for employees. In addition, employees involved in supply chain activities have access and are encouraged to access widely available resources (such as those available through the Stronger Together initiative) to advance their understanding of forced labour and/or child labour issues, risks, and their role in combatting them. All new employees working from the London, Ontario head office are required to take training on the Ontario Human Rights Code which also increases their understanding of foundational principles underpinning the Fighting Against Forced Labour and Child Labour in Supply Chains Act and UK Modern Slavery Act.

Beginning in fiscal 2024, StarTech.com will provide training on human trafficking including forced and child labour to employees in designated departments.

7. How StarTech.com assesses the effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

StarTech.com assesses whether its expectations are being followed by suppliers through the annual Vendor Questionnaire and/or CSR Vendor Audit Checklist and audit process. StarTech.com continues to develop both a road map and internal measures to more formally assess the effectiveness of its current procedures to combat forced labour and/or child labour. It is intended that the analysis of StarTech.com's internal processes and incentive structures will also mature over time to ensure that overall business performance indicators do not unintentionally create or increase forced labour or child labour risks within StarTech.com's supply chain.

StarTech.com strives for continuous improvement. StarTech.com's goals include aiming for zero (0) incidences of forced and child labour and actively tracking, deploying an updated Code of Conduct and training to formalize its expectations with respect to ethical sourcing, forced labour and/or child labour, human trafficking and human rights, and striving for the EcoVadis Commitment badge. As we learn from our processes, policies, and stakeholders, we will update and improve annually, becoming more informed on how we can better protect those in our supply chain.

8. Approval and 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 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 StarTech.com Ltd.

On behalf of StarTech.com Ltd., this report was approved by:

"Paul J. Seed"

Name: Paul J. Seed

Title: Executive Chairman and Director

May 15, 2024