

technetix

2023 Supply Chain Due Diligence Report

We listen. We innovate. We deliver.

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Introduction

Technetix is committed to integrating sustainability principles into our operations and procurement practices. We believe we can create long-term value by embedding sustainability into global supply chains to minimize environmental impact, promote social responsibility, and enhance business resilience.

In 2023 we have reinforced these principles by establishing new objectives, due diligence tools and governance structures. This report outlines our approach and progress.

Our structure and supply chains

Technetix is a market-leading technology company in broadband infrastructure, designing and manufacturing innovative solutions for over 1,200 customers. It operates across Europe, North America, Latin America and the Asia Pacific region, differentiating itself from competitors by gaining detailed knowledge of its customers' requirements and delivering intelligent, award-winning solutions to the marketplace.

Technetix Group Limited is the parent company of the Technetix group companies (Group). The Group has over 180 employees worldwide based in 20 countries and sales in 70. Technetix brings value to its customers by forming consultative partnerships with them, offering 34 years' experience of broadband network technologies. The nature of these relationships enables the fast development and roll out of solutions once a need has been identified.

External suppliers for our product portfolio are in the electronics, broadband cable, fiber equipment and software sectors in Asia, Europe and the Americas. Additionally, we source logistics and transportation services and a diverse range of goods and services to run our operations.

The majority of Technetix' procurement activity is centralized. The business is therefore able to ensure consistency and cohesion in the management of its relationships with its supply partners worldwide, which in turn underpins its ability to monitor performance and evaluate compliance with a high degree of confidence.

We do not have any direct child labor, forced labor or human trafficking risks within our operations. Technetix does not employ migrant workers and the age of all employees is verified prior to commencement of employment.

Our approach to responsible procurement

Technetix is a signatory to the UN Global Compact and its 10 principles covering human rights, labor, the environment, and anti-corruption. We recognize our responsibility to assess and mitigate risks, ensuring compliance with legal, ethical, and environmental standards.

Our human rights policies are aligned with the UN Guiding Principles for Business and Human Rights and OECD Guidelines for Multinational Enterprises, the UK Modern Slavery Act, and other related national regulations. Suppliers are also required to comply with these standards and ensure that they are cascaded down their own supply chains.

We also recognize our product supply chains can have a significant impact on the environment, from raw material extraction to manufacturing. Technetix' supply partners are required to have action plans in place to manage their environmental impacts and must comply with all environmental requirements specific to their products and services.

Furthermore, Technetix' suppliers are required to uphold the highest standards of integrity, act ethically, and comply with legal and regulatory requirements at all times. Our Supplier Code of Conduct which sets out the expectations Technetix has of its suppliers, whether they are manufacturing Technetix products, supplying third party goods, or providing services to Technetix.

Governance

The Technetix board and executive team are responsible for the oversight and execution of our sustainable procurement policies and objectives, including ensuring appropriate supply chain due diligence.

In 2023 Technetix established a cross-functional Sustainability Committee and Sustainable Supply Chain team. Additionally, we have partnered with IntegrityNext, the supply chain due diligence platform, to aid us in assessing and developing our supply partners.

Our objectives

We aim to drive sustainable procurement practices by raising employee and supplier awareness of the Technetix Supplier Code of Conduct, assessing supplier sustainability practices, identifying risks and opportunities, and targeting improvement actions across the supply base.

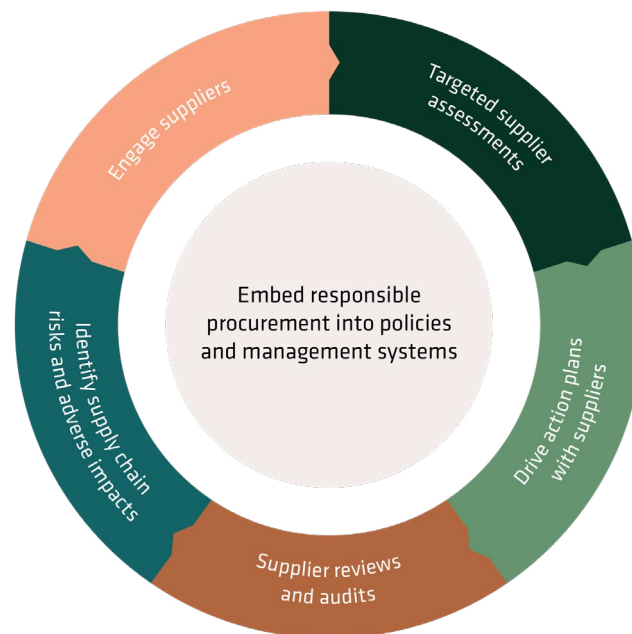
We have set the following near-term supply chain objectives in order to monitor performance:

100% of Technetix personnel involved in procurement activities receive training on supply chain sustainability risks.

Assess 80% of Technetix product suppliers for social and environmental impacts by end 2024.

50% of Technetix product suppliers with science-based targets by 2026.

Further objectives will be set once we progress with our due diligence process. This is an iterative process through which we aim to drive continual improvement in our supply chains.



Technetix approach to supply chain due diligence.

Risk assessment approach

In 2023 Technetix partnered with IntegrityNext, a leading supply chain due diligence platform, to conduct rigorous risk assessment and analysis of our suppliers. Our updated risk assessment approach has three main stages:

1 / Abstract Risk Analysis:

We commence by evaluating country and industry risks pertaining to human rights and environmental standards across our direct suppliers. We assess abstract risk based on diverse subject areas, drawing on quantitative indicators from reputable institutions like the World Bank and the United Nations for country risk

evaluation. Industry risk analysis is complemented by qualitative sources and databases, enabling us to differentiate risks across 88 different industries. By merging country and industry risk assessments, we derive a nuanced evaluation of potential risks, categorizing them as 'low risk', 'medium risk', or 'high risk'.

2 / Concrete Risk Analysis

Identified potential risks from suppliers undergo detailed scrutiny in this phase. Employing a risk-based methodology, we will prioritize suppliers with medium or high identified risks from the abstract analysis, and those deemed 'critical' suppliers. Questionnaires based on international standards provide insights into suppliers' responses to identified risks. We assess their capability to uphold human rights and environmental and ethical standards based on this feedback. By integrating questionnaire results with abstract risk analysis, we ascertain the actual risk levels across our supplier base. In addition, we monitor supplier critical news in order to stay informed about new reports relating to human rights, environmental standards, and ethics, and to be able to react to them.

3 / Prioritization and Response

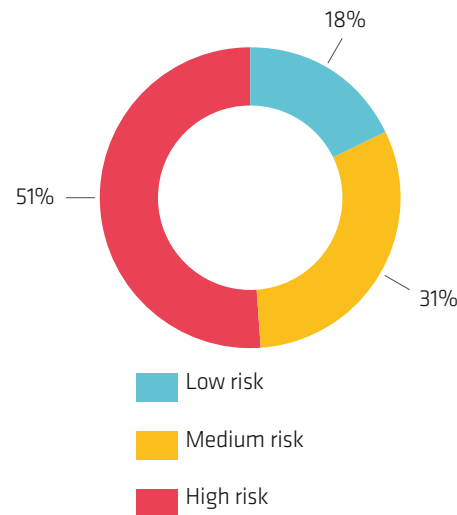
In the third step, we prioritize suppliers to develop. The probability and severity of risks, as determined in previous stages, guide this process. Additionally, we assess the feasibility of influencing suppliers.

Country and industry risks

In 2023 we commenced the first abstract risk assessment stage, covering 90% of our product suppliers based on annual spend.

<p>Environment</p> <ul style="list-style-type: none"> ■ Environmental pollution ■ Substances of concern ■ Waste ■ GHG emissions (carbon)
<p>Social</p> <ul style="list-style-type: none"> ■ Discrimination ■ Forced labor and mistreatment ■ Child labor ■ Working hours and wages ■ Freedom of association and collective bargaining ■ Impact on local communities ■ Health & safety ■ Diversity, equity and inclusion
<p>Governance</p> <ul style="list-style-type: none"> ■ Corruption and bribery

Country and industry supplier risk assessment results (% of suppliers assessed)



The following most prevalent human rights and environmental risks were identified in this analysis.

Human Rights

- Child labor
- Freedom of associated and collective bargaining
- Health and safety

The manufacture of electronics and associated supply chains can involve health and safety risks such as long working hours, low wages, risk of exposure to toxic substances, repetitive strain injuries, and inadequate safety protocols and personal protective equipment. These industries can also be linked to labor rights issues such as freedom of association.

Child labor risks can also be present in supply chains primarily linked to mining and manufacturing in certain regions. For example, child labor risks are present in cobalt mining in the Democratic Republic of Congo (DRC) and in tin and gold mining in Indonesia and the Philippines.

Environment

- Environmental pollution
- Substances of concern
- GHG emissions (carbon)

Extraction of rare earth metals and minerals can lead to habitat destruction, soil erosion, and water contamination due to improper waste disposal and use of toxic chemicals.

Electronics manufacturing also involves hazardous chemicals (e.g. solvents, heavy metals) that can contaminate air, water, and soil if not properly managed, and can be energy-intensive, contributing to greenhouse gasses and climate change.

In 2024, we will request detailed self-assessments to be completed by high risk and critical suppliers to verify their ability to identify and mitigate risks in their operations and supply chains. This, combined with supplier reviews and visits, will allow us to develop a full risk assessment and prioritize and identify next steps.

Our policies

In 2023 we have strengthened our policies and processes to increase awareness of key issues, including the identification and mitigation of risks of forced labor, child labor, and environmental damage in our supply chains.

Our polices include:

Supplier Code of Conduct

All Technetix suppliers are contractually required to comply with this code which sets out our environmental, social, and ethical requirements for the supply chain.

Sustainable Procurement Policy

Internal policy to ensure employees are able to identify and mitigate any risks in our supply chains and incorporate environmental, social, and ethical considerations into purchasing decisions.

Responsible Minerals Policy

Our approach to responsible sourcing of minerals in Technetix supply chains, to mitigate the risk of contributing to conflict, human rights abuses, and environmental harm in Conflict Affected and High-Risk Areas.

Modern Slavery Statement

Technetix does not tolerate slavery, human trafficking, forced or child labor or any other violation of human rights within its business or its supply chain. All employees and supply partners are required to act ethically and comply with legal requirements and this statement at all times.

Whistle-blowing Policy

Technetix protects employees and others who report misconduct in our operations and supply chains, ensuring confidentiality and protection from retaliation or discrimination.

Training and awareness

Technetix employees receive training on key topics to support them in making sustainable purchasing decisions and are expected to consider social, ethical, and environmental factors when making purchasing decisions.

All employees, including our purchasing team, are required to complete modern slavery training including knowledge checks. Our internal newsletter and lunch-and-learn sessions are also used to provide more information on supply chain sustainability and due diligence topics.

Investigation and remediation

Risks and grievances can be raised internally and externally either directly with Technetix or confidentially via our whistleblowing process. They will be passed to the relevant owner for investigation and, if necessary, remediation. If we find a serious breach of applicable laws, regulations, or the Technetix Supplier Code of Conduct, we may terminate our agreement with that supply partner, including any open orders.

No investigations or remediations were required in 2023

Monitoring and review

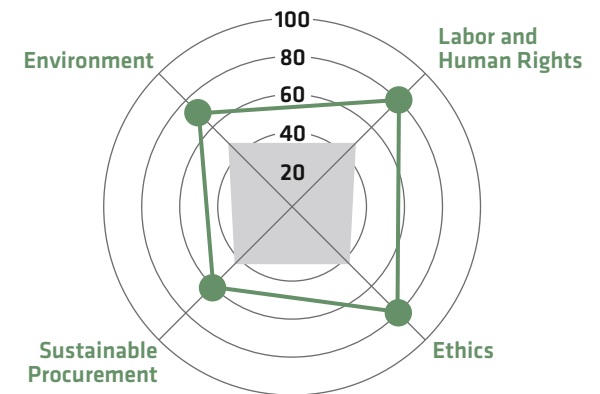
We will regularly review and evolve our approach to ensure its effectiveness. Our supply chain due diligence platform ensures that supplier assessments stay up to date with the latest issues and regulatory requirements.

In addition to this, Technetix completes an annual assessment with EcoVadis, the leading provider of business sustainability ratings, which has a specific focus on sustainable procurement as well as human rights, environment and ethics. The assessment allows us to identify areas where we can improve. In 2023 we were awarded a Silver rating by EcoVadis, putting us in the top 6% for our industry.

Our ratings in each category were as follows:

	Score	Benchmark*
Environment	70	Top 16%
Labor and Human Rights	80	Top 12%
Ethics	80	Top 2%
Sustainable Procurement	60	Top 15%

*rating verses our industry in EcoVadis (manufacture of electronic components and boards industry)



- Technetix Group LTD (group) score
- All companies rated by EcoVadis in our industry

Through regular supplier assessments and visits we can verify the validity of the information collected from suppliers and identify any 'red flags'.

We also monitor relevant supply chain sustainability and due diligence regulations and update our practices to ensure compliance as required.

Approval and Attestation

In accordance with the requirements of the Forced Labor in Canadian Supply Chains Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for Technetix Group Limited. 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.

Philip Deakin
Chief Financial Officer

31st May 2024

A handwritten signature in black ink that reads "Philip Deakin". The signature is written in a cursive, flowing style.

"I have the authority to bind Technetix Group Ltd."

technetix

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