



2024 Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

Our Commitment

This report has been prepared by Zafin Labs Americas Incorporated (**Zafin**) to comply with the reporting requirements under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the **Act**) for our financial year ending December 31, 2023.

Given the nature of our business as a software provider, the types of goods we procure, and the countries we operate in, the risks of forced labour and child labour in our operations and supply chains is low. Nonetheless, Zafin recognizes the importance of preventing and assessing the risk of forced labour and child labour in the technology industry. We support measures to prevent and reduce risks of forced labour and child labour in Canada's supply chain, consistent with our commitment to the United Nations Global Compact (**UNGC**), which we signed in January 2024. We also pledged to the International Year for the Elimination of Child Labour and have committed to working with and engaging actively with our employees, suppliers, and other business partners to eliminate the use of forced labour and child labour.

Organizational structure, activities and supply chain

Zafin is a privately owned financial technology company that offers a Software-as-a-Service (**SaaS**) product and pricing platform for financial services providers in Canada and worldwide. Our head office is located in Vancouver, British Columbia. In Canada, we also operate in Toronto and Ottawa, and operate globally in India, Australia, the United States, the United Kingdom, Germany, Netherlands, South Africa and the United Arab Emirates. We have over 700 employees and occasionally hire contract workers from reputable agencies.

Zafin's product engineers develop our SaaS products, which we license to our customers. In support of these activities, we procure a variety of goods and services, including office supplies, repair and maintenance services, hardware supplies, professional services, and IT infrastructure and services. Our vendors are primarily based in Canada and the United States. We occasionally procure goods from the United Kingdom, Europe, Singapore, the UAE and India.

Steps to prevent and reduce the risks of forced labour and child labour

As described in this report, Zafin's approach to preventing and reducing the risks of forced labour and child labour in our operations and supply chain in this reporting year included:

- Requiring our suppliers to comply with our Supplier Code of Conduct
- Conducting compliance reviews and due diligence of our suppliers
- Developing a third-party management framework to effectively manage and control the risks that arise from relationships with vendors and suppliers
- Updating our Code of Business Conduct and Human Rights Policy to expressly address forced labour and child labour
- Developing a policy and framework to encourage and increase awareness of existing reporting mechanisms available to employees, contractors, vendors, and other stakeholders to report concerns about misconduct, illegal activities, or ethical violations
- Committing to support the Ten Principles of the UNGC and report on our continuous efforts to make the UNGC and its principles part of the strategy, culture and day-to-day operations of our company, .



Policies and due diligence processes

Responsible Business Conduct

Zafin has adopted policies and processes to embed our commitment to responsible business practices and the prevention of forced labour and child labour in our operations and procurement activities.

Our **Code of Business Conduct** requires our employees to practice high standards of ethics and refrain from any action that violates laws or regulations. The Code sets out our commitment to responsible business practices, and establishes accountability for honesty, integrity, and responsible conduct.

We updated our Code of Business Conduct to expressly address forced labour and child labour, including that:

- We will not tolerate any unethical practices or treatments of any person, and condemns all forms of forced labour,
- We do not use or condone and will not tolerate any form of child labour in any of our operations or supply chain under any circumstance, and
- Zafin will cease its business relationship, including with any vendors, if it discovers the use of child labour or forced labour.

These updates will be published in June 2024.

Our **Human Rights Policy** applies to employees, customers, suppliers, and partners. It establishes our respect for ethical and social values and our commitment to upholding human rights.

Our employees are required to comply with the Human Rights Policy when engaging with other employees, suppliers, customers, and anyone else with whom they come into contact during their employment. Zafin conducts background checks during our hiring processes, including age verification, to ensure that this policy is upheld. We expect our suppliers to uphold the principles in the Human Rights Policy and adopt similar policies within their businesses.

We updated our Human Rights Policy to expressly address forced labour and child labour. The updated Human Rights Policy prohibits, *inter alia*, the use of all forms of forced labour and child labour and is guided by international human rights principles set out in the *Universal Declaration of Human Rights*, the *International Labour Organization's Declaration on Fundamental Principles and Rights at Work*, the *United Nations Global Compact* and the *United Nations Guiding Principles on Business and Human Rights*. These updates were published in May 2024.

Our **Supplier Code of Conduct** requires our suppliers to comply with applicable laws and regulations and to commit to the highest standards of integrity, ethics, business conduct, and social responsibility, including applicable laws relating to forced labour, minimum working age, minimum wage, overtime pay, benefits, in their own workplace and with respect to any temporary or outsourced labour. Our suppliers are required to keep a respectful and safe workplace free from physical, psychological, or verbal harassment or intimidation or any other form of abusive conduct. The Supplier Code of Conduct is published on our website.

The Supplier Code of Conduct applies to all suppliers, including vendors, sellers, contractors, subcontractors, subconsultants, dealers, fabricators, consultants, manufacturers, distributors, and their lower-tier suppliers. We require our suppliers to ensure that their staff (at all levels), representatives, and business partners understand and abide by the Code with respect to work performed on behalf of Zafin.

We also require our suppliers to inform our ethics and compliance officer of any misconduct related to Zafin business undertaken by any our employee, supplier employee, or supplier business partner. Our suppliers must provide their employees and business partners with reporting channels to raise legal or ethical issues



or concerns. Zafin's reporting mechanism is published on our website to enable employees, suppliers, and workers in our supply chain to report any ethics concerns confidentially and anonymously.

To encourage reporting and increase awareness of our reporting mechanisms, Zafin developed a **Report a Concern & Anti-retaliation Policy**, which provides a framework for employees, contractors, vendors, and other stakeholders to report concerns about misconduct, illegal activities, or ethical violations at Zafin. The purpose of this Policy is to ensure that reports of misconduct are handled promptly, impartially, and with utmost confidentiality, providing protection against retaliation for individuals who report concerns in good faith. This Policy will be published in June 2024.

Supplier due diligence

Zafin has developed specific processes and frameworks related to due diligence and oversight of our procurement activity and relationships with third parties.

Zafin has adopted a **Procurement Process** globally that allocates responsibility and increase responsibility for purchasing decisions and enables us to maintain an audit trail for procurement activity.

In 2023, Zafin developed a **Third-Party Management (TPM) Policy** to establish a framework to effectively manage risks that arise from third-party relationships with vendors and suppliers, to ensure that they comply with legal, regulatory, and contractual requirements. This Policy was published in February 2024.

The TPM Policy describes procedures and criteria for conducting due diligence on third-party vendors and suppliers. The TPM Policy applies to all Zafin employees responsible for vendor sourcing, procuring, negotiating, or executing contracts for third parties on behalf of Zafin. The TPM Policy also requires that our contract terms with suppliers and other third parties specify that the vendor must comply with all applicable laws and regulations.

The due diligence process set out in the TPM Policy involves an assessment of our suppliers and vendors to ensure that our vendor relationships align with our risk management and compliance objectives. The due diligence procedures are risk-informed, based on the type of third party, their criticality to our operations, and their associated risk score.

The TPM Policy establishes a process of continuous monitoring of our third-party vendors, to ensure that they adhere to established standards throughout the duration of their engagement with Zafin. This process includes periodic compliance reviews and continuous due diligence to verify that vendors are fully compliant with legal, regulatory, and contractual requirements, and to ensure that our vendor relationships remain aligned with our policies, standards, and regulatory requirements throughout their duration.

Given the nature of our business, to date, the TPM framework has primarily been used to screen third parties for security, privacy, and technology related risks. However, the scope of the TPM Policy is broad and includes compliance with applicable laws and our ethical standards, which enables Zafin to review risks related to the labour practices of our vendors and suppliers.

Employment Policies

Zafin has adopted policies to ensure compliance with applicable employment, health and safety and human rights laws in our operations.

In our **Health & Safety Policy**, we recognize that every person is entitled to a safe work environment that is free from all forms of workplace health and safety hazards, including violence and harassment. We hold a zero-tolerance stance towards any workplace violence and harassment, and we are committed to making every reasonable effort to providing a safe and healthy work environment.



Forced labour and child labour risk

Zafin has an Enterprise Risk Management (**ERM**) program to identify legal, operational, and reputational risks to our business, assess the impact and probability of these risks, and develop risk mitigation strategies with actionable steps. To date, we have primarily used the ERM program to screen third parties for security, privacy, and technology related risks, but this program does enable Zafin to assess and respond to other risks in our operations and supply chains, including those relating to forced labour and child labour.

Given the nature of our business as a software provider, the types of goods we procure, and the countries we operate in, the risks of forced labour and child labour in our operations and supply chains is low. We recognize the importance of continuously monitoring labour-related risks in the global supply chain and will continue to engage with our suppliers to reduce these risks in our extended supply chain.

Remediation measures and remediation of loss of income

In our Code of Business Conduct, Zafin encourages employees and third parties to promptly report actual or potential wrongdoing, including an actual or potential violation of law, regulation, policy, or procedure. To facilitate this reporting, we have a confidential online reporting system that is accessible through our public website. Individuals who report concerns are protected from retaliation.

As noted above, we developed our Report a Concern & Anti-retaliation Policy to further communicate our grievance reporting expectations and to protect reporters from any form of retaliation, including employment termination, demotion, harassment, or discrimination.

To date, we have not been made aware of any incidents of forced labour or child labour in our operations or supply chains and, as such, we have not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee training

Zafin provides training to employees as required to comply with applicable employment and health and safety laws.

Assessing effectiveness

As described above, Zafin recently adopted continuous monitoring processes under our TPM Policy, which will enable us to assess the effectiveness of our approach to supplier risks over time, including risks of forced labour and child labour.

Zafin committed to supporting the Ten Principles of the UNGC, which includes supporting the elimination of forced labour and the effective abolition of child labour. In our Letter of Commitment to the UN, signed on January 16, 2024, Zafin confirmed our support for public accountability and transparency, and committed to reporting annually on our continuous efforts to integrate the Ten Principles of the UNGC into our business strategy, culture, and daily operations.



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 entity or 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.

Dated in the City of New York, New York, this ^{5/22/2024} day of _____, 2024.

DocuSigned by:

Greg Sheldon

E5D533660C814DD...

Greg Sheldon, Board Member and Chair of Finance and Audit Committee

I have the authority to bind Zafin Labs Americas Incorporated