

Canada's Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the "Act") requires certain entities to submit a report to the Minister of Public Safety by May 31 of each year, as well as publish this information on the entity's website.

This obligation applies to entities which include any corporation, trust, partnership, or other unincorporated organization that is listed on a stock exchange in Canada, or has a place of business in Canada, does business in Canada or has assets in Canada and meets two of the following three criteria for at least one of its two most recent financial years:

- *\$20 million or more in assets*
- *\$40 million or more in revenue*
- *An average of 250 or more employees*

As such, S.F. Marketing Inc. ("SFM", or the "Company") is required to make such a statement in accordance with the Act.

SFM supports the objectives of the Act and makes this statement pursuant to the Act for the financial year ended December 31, 2024.

ABOUT US

SFM is a trade only distributor that acquires AV products from manufacturers and then sells to customers including AV integrators and IT resellers. These AV integrators and IT resellers then sell these products to the end users operating in the corporate, events, government, education, retail, hospitality, healthcare, and residential markets. SFM enjoys long-standing relationships with numerous world-wide, well-known manufacturers and a large and diverse base of resellers.

SFM is headquartered in Dorval, Quebec, Canada and is a wholly owned subsidiary of Midwich Group plc ("Midwich Group"), which is headquartered in Norfolk, England and is the ultimate parent company of a group of companies which specialize in audio visual distribution to the trade market.

SFM operates throughout Canada, with over 120 employees.

OUR COMMITMENT

SFM:

- acknowledges its responsibilities under the Act and is fully committed to preventing forced labour and child labour within its own businesses and in its supply chain;
- understands that this requires an ongoing review of both its internal practices in relation to its labour force and its supply chains;
- has a zero-tolerance policy towards forced labour and child labour. We will refrain from entering business, and/or will discontinue any current business with any other organization that knowingly supports or is found to be involved in forced labour or child labour.

EXPOSURES AND RISKS

As the goods sold by SFM have already been manufactured by the time they pass into our ownership, SFM considers its exposure to forced labour and child labour to be limited. SFM's exposure mainly relates to the working conditions and treatment of employees in the product supply chain, especially in higher risk countries.

Nonetheless, SFM has taken steps to ensure that such practices do not take place in its business. SFM works with its supply chain to endeavour that such practices do not take place in the business of any organization that supplies goods and/or services to it. SFM relies on the surveys conducted by Midwich Group every two to three years of its key vendors to ensure compliance the Act. In addition, SFM monitors its supply chain to assess ongoing risks and develop measures to further reduce the risk of forced labour and child labour taking place in the Company's supply chain and/or businesses.

LABOUR PRACTICES

Our recruitment and people management processes are designed to ensure that all prospective employees are legally entitled to work in Canada to safeguard employees and apprentices from any abuse or coercion.

No labour provided to SFM in the pursuance of the provision of its own services is obtained by means of forced labour or child labour. The Company strictly adheres to the minimum standards required in relation to its responsibilities under relevant employment law.

OUR BUSINESS RELATIONSHIPS

SFM has not, to its knowledge, conducted any business with another organization which has been found to have involved itself with forced labour or child labour. To SFM's knowledge, there have been no reports that any of Midwich Group's suppliers have been involved in activities covered by the Act.

In the event that any of our suppliers were to be found to have been involved with forced labour or child labour, we will then look to exit related contracts in the most appropriate manner possible.

RISK ASSESSMENT AND DUE DILIGENCE

Annual Review

SFM relies on the annual reviews conducted by Midwich Group of the largest suppliers and customers to understand the information that they publish publicly on their websites. SFM also relies on the information provided at regular intervals to Midwich Group by key suppliers regarding forced labour.

Operational Compliance

SFM annually reviews its operational compliance, whereby forced labour and child labour forms part of that review, through the risk registers and information gathering.

Midwich Group's Head of Tax, Treasury, Compliance has regular updates with the nominated individuals across the Group to discuss how forced labour risks and concerns should be addressed.

Due Diligence

SFM conducts due diligence on suppliers through credit and risk assessment before allowing them to become a preferred supplier. SFM carries out an online search of suppliers (potential and existing) who fall within the realms of the Act, to ensure compliance and that there are no current cases of conviction for forced labour and child labour. SFM aims to have adequate contractual arrangements in respect of forced labour and child labour with all new suppliers.

POLICIES AND RESPONSIBILITY

Policies

SFM's internal policies (which applies to all persons working for, on its behalf or with it in any capacity) reflect the Company's commitment to acting ethically and with integrity in business relationships and to implementing and enforcing effective systems and controls, which is an extension of its Company-wide values.

In line with the above, SFM has a whistleblowing policy where employees can report concerns, suspicions or knowledge of misconduct or unethical behaviour in a secure and structured way.

Responsibility

SFM's leadership team has the overall responsibility for ensuring the policies comply with our legal and ethical obligations, and that all those under our control comply with it.

SFM's leadership team has the responsibility for implementing internal policies, monitoring its use and effectiveness, dealing with any queries about it, and ensuring its internal control systems and procedures are effective in countering forced labour and child labour.

Management at all levels are responsible for ensuring those reporting to them understand and comply with internal policies.

TRAINING

SFM employees have a responsibility to be alert to the risks of forced labour and child labour, however small, within both its business and the wider supply chain. They are required to report any concerns, using the appropriate reporting channels, and management are obliged to act upon them.

SFM, through its whistleblowing policy, ensures that no one suffers any detrimental treatment as a result of reporting, in good faith, their suspicion that forced labour or child labour is, or may be, taking place.

As part of an induction process, employees are made aware of the Company's internal policies, which include policies relating to standards of behaviour that it requires from them. Each employee must review, familiarize, and confirm that they have understood the policies.

APPROVAL FOR THIS STATEMENT:

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.

I, Randal Tucker, have the authority to bind S.F. Marketing Inc.



Randal Tucker, CEO and President

May 12, 2025