



Canada Computers Inc.

Fighting Against Forced Labour and Child Labour in Supply Chains Act Report 2023

Introduction

This report is made pursuant to subsection 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C., 2023, c.9 (the “Act”) and has been prepared on behalf of Canada Computers Inc. (“**Canada Computers**” or the “**Company**” or “**our**” or “**we**”). As required by the Act, this report constitutes the first report prepared by the Company pursuant to the Act and summarizes the steps that we have taken in the financial year ended December 31, 2023 to prevent and reduce the risk that forced labour or child labour used at any step of the production of goods we import and sell in Canada.

Canada Computers does not have any subsidiaries that report under any other similar legislation. We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all of our activities. We strive to be a great place to work for all of our people. We want our employees to be fully engaged with our Company and their contributions to be recognized and rewarded. We will therefore not tolerate forced labour, child labour, human trafficking, and any other kind of modern slavery within our operations or within our supply chain, and we are committed to taking appropriate steps to ensure that everyone who works for Canada Computers benefits from a working environment in which their fundamental rights and freedoms are respected.

This report outlines aspects of our human rights plan for the 2023 financial year, which continues to expand and be developed in accordance with global standards such as the United Nations Guiding Principles on Business and Human Rights. The steps taken this year include, but are not limited to, assessing the risks of forced labour and child labour in our activities and supply chains, and engaging with our supply chain partners on the issues of forced labour and child labour.

Our approach to preventing modern slavery forms part of our wider corporate responsibilities. We are adopting procedures that will contribute to ensuring modern slavery does not occur in our business or supply chains. It is our expectation that organizations with whom we do business adopt policies to comply with the relevant legislation.¹

Structure, Activities and Supply Chains

Canada Computers was amalgamated under the *Business Corporations Act* (Ontario) and has been proudly Canadian since its inception in 1991. Our shares are not listed on any Canadian stock exchange, or any other stock exchange in the world. The Company’s registered head office is located in Richmond Hill, Ontario.

Canada Computers is a retailer of personal computers, information technology products and components as well as consumer electronics. Canada Computers operates forty-two (42) retail store locations across Canada. We have appeared on Forbes’ annual list of Canada’s Best Employers and continue to cultivate a culture of inclusivity and community.

The majority of our business comes from retail customers as well as some corporate mid-market and enterprise customers. The Company selects its suppliers on the basis of reputation, among other things. Our supply chain is complex and consists of a number of suppliers globally. Our major suppliers include many companies who are well aware of their obligations as reflected in their reports under the United Kingdom's *Modern Slavery Act 2015*.

Policies, Programs, and Due Diligence Processes²

As part of our due diligence processes, Canada Computers strives to embed responsible business conduct into our diverse range of policies both within our company and to the extent we are able to do so with respect to our supply chains. Our selection criteria for new suppliers requires that a business with whom we choose to partner must meet our standard of a reputable company. Suppliers are evaluated by our internal procurement team prior to partnership to ensure we maintain integrity throughout our supply chains to the best of our ability.

Employment

We are committed to the safety and health of our employees and we conduct our operations in compliance with applicable laws and regulations. Suppliers are expected to provide a safe working environment. Suppliers are expected to remain in material compliance with all health and safety laws applicable to the operation and use of the facilities at which products are manufactured on our behalf. Like with many global businesses, risks in our supply chain arise because of our limited visibility into our own suppliers' supply chains.

Supporting our people

Our employee handbook (the "**Employee Handbook**") requires all of us to act ethically and we expect employees to comply with legal requirements at all times, putting our values into practice in everything we do.

Training

Our employees receive regular tailored training on ethical topics and our policies. All new employees are assigned a mandatory onboarding training package, which includes training on all matters covered in the Employee Handbook. Employees who are involved in the onboarding process in the procurement function are given on the job training to help ensure the process is performed correctly. All of our training will be expanded in fiscal year ended December 31, 2024 to specifically include legislation and compliance required awareness.

Reporting and Non-Retaliation Policy

We strongly believe in maintaining a culture where our employees feel empowered and supported in conducting business the right way and we encourage reporting of concerns about potential misconduct or violations of law or policy. If an employee, contractor or other third-party becomes aware of a potential issue involving forced labour or child labour, there are various avenues to

report concerns. Credible information regarding a potential violation, whether discovered by Company employees and agents, or suppliers, and their employees and agents, should be promptly reported to our Human Resources Department.

Further Steps

We plan to take the following steps in the future, some of which are nearly in place, and others which will require a longer timeline, to further guard against the risk of modern slavery and trafficking:

- we are in the process of finalizing our supplier code of conduct (“**Supplier Code of Conduct**”) and we are committed to working with current and prospective suppliers to ensure ethical business practices and a clear understanding and appreciation of the values that will be reflected in our Supplier Code of Conduct;
- preparing a standard compliance provision to be included in all future supplier contracts, pursuant to which suppliers must read the proposed Supplier Code of Conduct and undertake to comply with its terms and all applicable laws and regulations regarding child labour and forced labour in Canada;
- we will begin to provide ongoing training to all procurement personnel to ensure a deep understanding of the Supplier Code of Conduct, our principles and our values;
- we will continue to examine ways to improve our assessment and management of risks in various jurisdictions through awareness, training, best practices or other assistance to our employees and suppliers; and
- take steps to improve our ongoing due diligence procedures in relation to modern slavery risks in our supply chain. This includes developing a process by which we can assess and audit the compliance of our suppliers with the Supplier Code of Conduct being developed, and through that, compliance with the Act.

Assessing and Managing Risk and Remediation Measures

We recognize that the risk of modern slavery being used in operations varies by industry and jurisdiction and that those risks are elevated in the manufacturing sector. We acknowledge that the raw materials procurement process does not often take place from our direct suppliers, but may occur further down the supply chain. This reduces our visibility over the raw materials used within our supply chain to produce components used in manufacturing. To date, we have not identified any specific instances of forced labour or child labour in its supply chain. As such, no remediation activities have been undertaken by us and no remediation measures have been taken to remediate any loss of income that resulted from measures taken by us.

Assessing Effectiveness

Canada Computers is in the process of implementing a number of measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. While we have not yet taken any actions to assess the effectiveness of those actions, Canada Computers intends to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains at a later stage.

We acknowledge our responsibility to combat forced and child labour and are committed to acting ethically and with integrity and transparency. We are working to put systems and controls in place to safeguard against any form of forced or child labour taking place within the business or our supply chain. As of December 31, 2023, Canada Computers has not faced situations of forced labour or child labour and has therefore not had to remedy and rectify such situations.

Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Canada Computers.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entity 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.

“Hei Chung (Gordon) Chan” (signed)

Hei Chung (Gordon) Chan

Director

*I have the authority to bind Canada
Computers Inc.*