

The background of the slide is a close-up photograph of a vibrant green leaf. Several clear water droplets are scattered across the leaf's surface, with one prominent droplet in the center. The lighting is soft, highlighting the texture of the leaf and the clarity of the water. On the right side of the image, there are several overlapping, light green geometric shapes, including diamonds and triangles, which create a modern, architectural feel.

Corporate Sustainability Report

2023

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Introduction

Hypertec is an award-winning global technology provider offering a wide range of cutting-edge products and services with a strong emphasis on sustainability.

Hypertec Group, established in 1984 and headquartered in Montreal, Canada, has emerged as a leading global provider of innovative information technology solutions. Our extensive footprint spans the United States, Canada, and Taiwan, represented by our business units, Hypertec Solution Partners (HSP), Hypertec Cloud (HCI), Hardware Technology Solutions (HTS), and Medioh TeleHealth.

Specializing in application-optimized servers, storage solutions, and desktops under the CIARA brand. Moreover, our comprehensive services, branded under Hypertec, cover cloud and converged infrastructure solutions, business continuity, IT services, and asset disposition. Medioh, our digital healthcare unit, is at the forefront of delivering revolutionary “Telehealth Solutions” for end-to-end digital health services. We cater to diverse industries, including finance, media, public services, healthcare, and among other sectors.

With a global presence in over 80 countries, our brands—Hypertec, CIARA, and Medioh—are synonymous with reliability, quality, and innovation. We prioritize research and development, fostering enduring relationships with customers and partners.

Our influence extends to the fields of Hardware, FSI, FinTech, Service Providers, M&E, BCDR, Infrastructure, and Digital Healthcare.

Adhering to high standards in operations, finance, and investments, we are committed to minimizing our environmental, including climate and social impact. Our business thrives on solid collaborations with clients, employees, and suppliers, emphasizing the importance of sourcing quality, low-carbon, and socially responsible materials.

At the core of our value proposition lies in sustainable product and service management. We champion recyclable products, low energy consumption, conflict-free materials, and enhanced productivity across the value chain. This commitment positions us as a role model for sustainable business in the technology industry, aligning with the global pursuit of sustainable development goals.

We aim to contribute to a more sustainable world, ensuring future generations can enjoy nature’s benefits.



Message from

ELIOT AHDOOT

Chief of Innovation and Sustainability Officer

Dear Hypertec partners,

Hypertec Group's sustainability journey is defined by continuous growth and is firmly rooted in Environmental, Social, and Governance (ESG) principles. This commitment translates to delivering transformative and cutting-edge technology, ensuring a customer experience defined by reliability, innovation, and tailored solutions.

In our 2023 Corporate Sustainability Report, we reflect on our sustainability journey since 2010, highlighting key areas of progress. Notably, we have focused on supply chain engagement and climate mitigation through the efforts of our Sustainability Committee. Other significant advancements include the responsible retirement of electronic hardware through asset recovery and the implementation of an internal operational take-back program.

This report aligns with the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosure (TCFD), serving as a testament to our commitment to transparency and accountability. A pivotal development presented in the report is the establishment of our Sustainable Business Principles, which guide our environmentally and socially accountable business model.

These principles serve as our foundation, guiding our activities and contributing positively to our business and, ultimately, our global impact. They help us foster an innovative company culture, raise internal awareness, protect the health and safety of people, invest in communities, maximize renewable energy use, and optimize operations for efficiency and waste reduction.



- Build an innovative organizational culture based on our core values to attain resilience.
- Raise awareness to articulate, disseminate, and embed sustainability in our organization, getting our people on the same path.
- Safeguard the well-being of our people by achieving a healthy and safe workplace.
- Rise the use of renewable energy sources to attain reduction of greenhouse gas emissions contributing to climate change efforts.
- Maximize our operations' efficiency to reduce raw material consumption and minimize waste.
- Manufacture high-quality, high-performance, sustainable infrastructure technology responsibly sourced renewable materials that are recyclable or reusable, do not come from conflict areas, and increase productivity.
- Act professionally, somewhat, and with integrity in all our business dealings and relationships to earn the trust of our stakeholders.
- Invest in our people, operations, technology and science, and communities to obtain stakeholder engagement, operational excellence, sustainable infrastructure technology, and client satisfaction.
- Energy and environmental design, building, operating, and maintaining a high-performance green asset such as our green facility and building.
- Act locally, being aligned with global efforts of the Sustainable Development Goals.

As Hypertec's Chief Innovation and Sustainability Officer, I am proud to lead and champion our commitment to delivering high-quality and sustainable infrastructure technology. Our 2023 report highlights significant achievements and maps out a course for broader goals in the future. We believe in the ability and willingness of our employees, partners, and stakeholders to continue supporting Hypertec Group on our sustainability journey.

Thank you for your interest in our progress.

Eliot Ahdoot

Eliot Ahdoot

Chief of Innovation and Sustainability Officer

About this report

This Report has been prepared under the direction of Hypertec Group’s Board of Directors and senior management.

SCOPE

This Report is for Hypertec Group and includes information regarding its subsidiaries, business units, and joint ventures. Unless otherwise noted: (i) all information in this Report is presented as of, and for, the year ended December 31, 2023; and (ii) the data and analysis relates to Hardware Technology Solutions (HTS), Hypertec Solution Partners (HSP) and Hypertec Cloud business units of Hypertec Group and not its suppliers or clients. All dollar amounts are expressed in Canadian currency (CAD). References to “we,” “our,” “us,” “the Company,” and “Hypertec” mean Hypertec Group, subsidiaries, and business units.

REPORTING STANDARDS

Hypertec Group supports and aligns with the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB), and the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) Recommendations. Our GRI, TCFD, and SASB compliance summaries are set out in the Reporting Appendices.

MATERIALITY & STRUCTURE

In the context used for this Report, materiality refers only to the relative significance of environmental, social, and governance (ESG) priorities and their potential impacts (both positive and negative) on our business and our stakeholders. The material topics under the ESG perspective are also reflected in our relations with suppliers, customers, and partners, where we can foster sustainability principles. Issues deemed material from an ESG perspective may or may not be material to Hypertec Group’s business, operations, capital, or enterprise value. Hypertec Group conducted a formal materiality assessment based on guidance provided by the Global Reporting Initiative (GRI). Further details relating to our approach and outcomes can be found in Governance and Materiality on pages 7–10.

INDEPENDENT REASONABLE ASSURANCE

An accredited third party has provided verification services for certain energy, greenhouse gas (GHG) emissions, waste, and water data in this report. For more details, please see the Environmental disclosures at <https://hypertec.com/sustainability/> and on pages 7-10.

FURTHER INFORMATION

Additional information about our sustainability approach is available at <https://hypertec.com/sustainability/>.

Please direct questions to htsqa@hypertec.com



Eliot Ahdoot

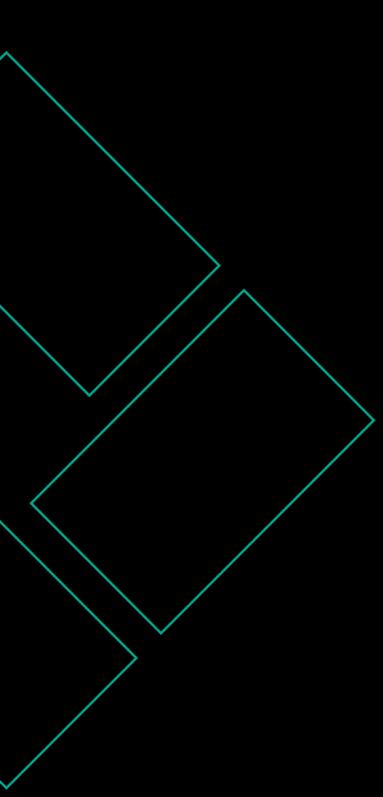
Chief Innovation and Sustainability Officer at Hypertec



Ali Khosroshahi

Quality Assurance and Sustainability Senior Manager at Hypertec

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04

Transformative Business

Who we are and what we do

The company



Hypertec

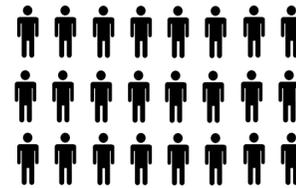
1984

Year
Founded



700

Employees
Worldwide



3,000

Customers
Worldwide



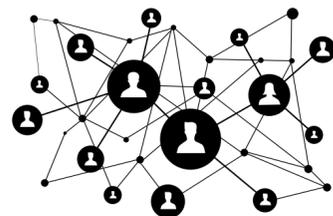
80

Countries
Supported



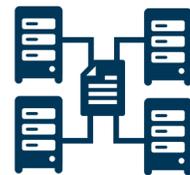
3

Headquarters
Canada - USA - Taiwan



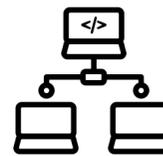
500

Data Centers
Served Regularly



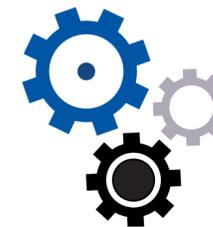
1,000,000

Servers
Deployed



100,000

Servers & Storage
Delivered Yearly



3

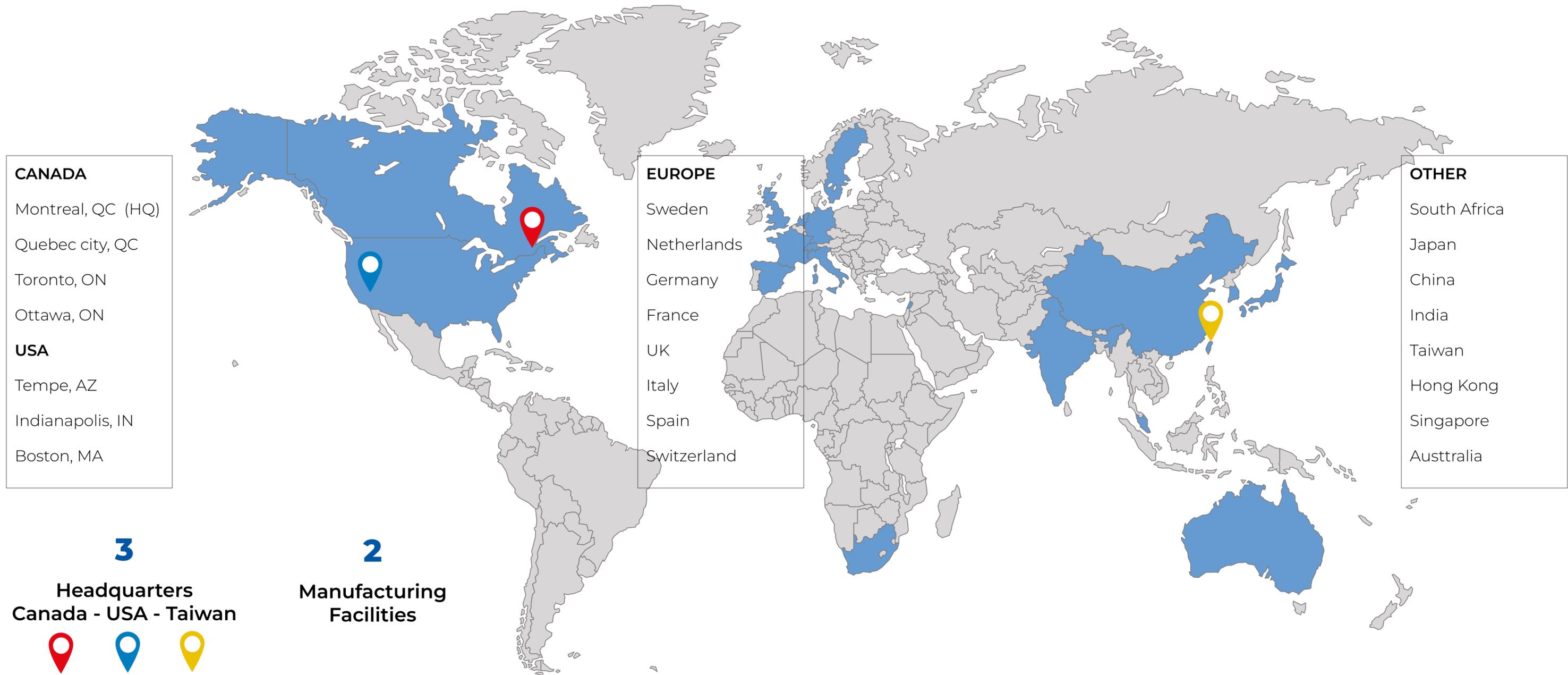
R & D Centers
Canada - USA - Taiwan



25M

R&D investments
in last 3 years

Global Presence



Market Presence

FINANCIAL SERVICES



MEDIA & ENTERTAINMENT



CLOUD SERVICES



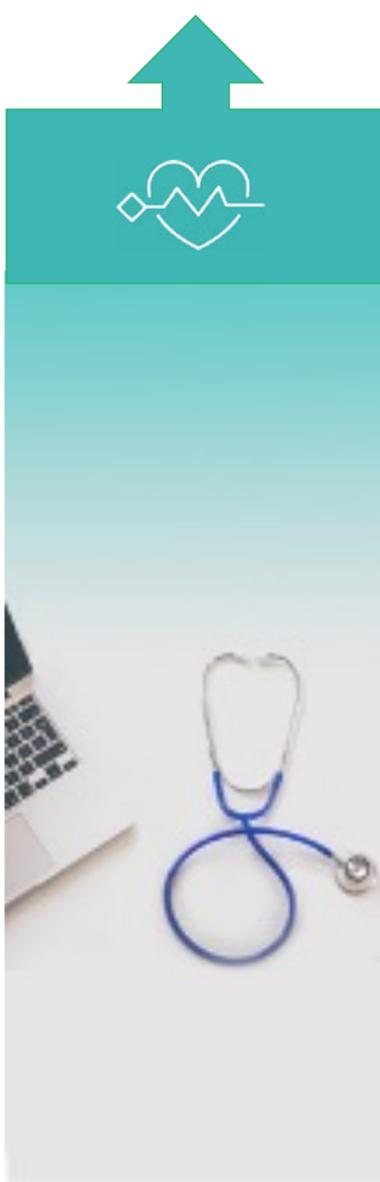
SERVICE PROVIDERS



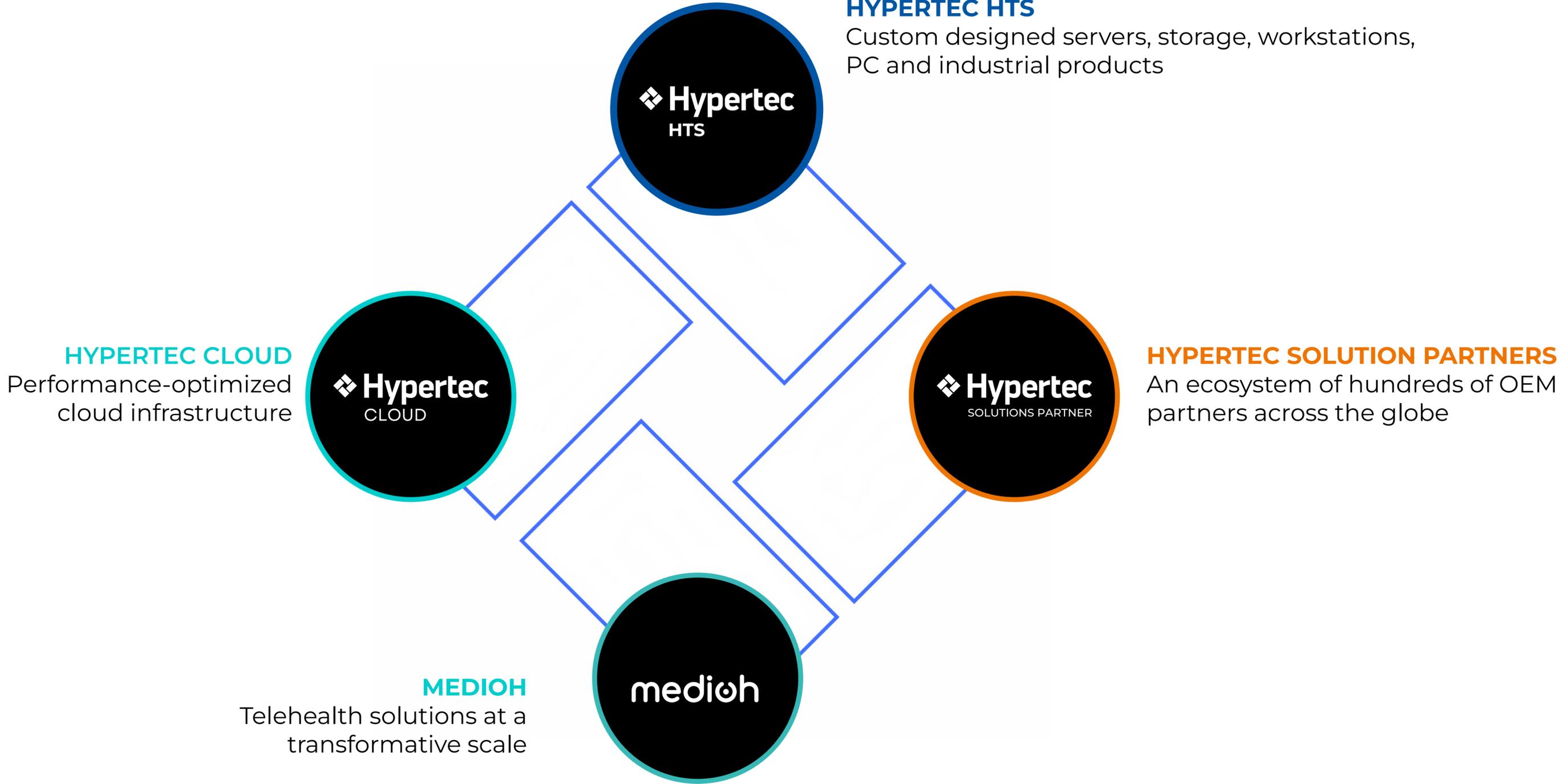
PUBLIC SECTOR



HEALTHCARE



Business Units



The Hypertec Brand



Founded in 1984, Hypertec is an award-winning global technology provider offering a wide range of cutting-edge products and services with a strong emphasis on sustainability. Trusted by industry leaders in the cloud, communication, financial services, media and entertainment, healthcare, and public sectors, Hypertec serves clients in over 80 countries worldwide. The company has earned international recognition for its sustainability leadership and innovative manufacturing practices.

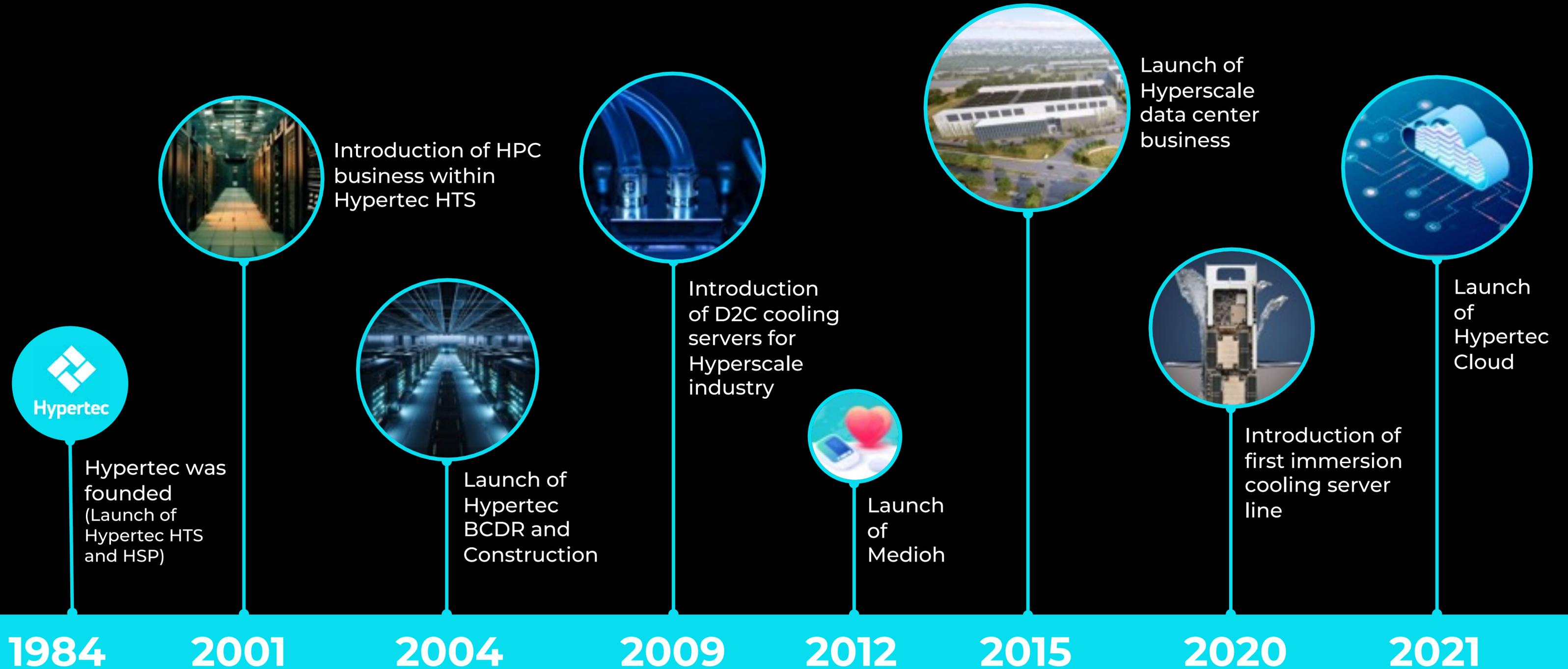


Medioh, Hypertec's healthcare division, aims to offer digital health solutions designed to simplify the rapid, scalable implementation of remote patient monitoring programs and telehealth services. From the logistical management of medical devices to comprehensive patient support, Medioh is positioned as a key partner for healthcare institutions in the large-scale deployment of virtual health programs.



CIARA is a global technology provider of cutting-edge IT products that specializes in the design, engineering, manufacturing, integration, deployment and support. Ciara's product portfolio is comprised of optimized servers, storage servers and desktops.

Our History



Sustainability Archetype

We sustainably select our locations to maximize our solution offerings, global customer support responsiveness, SLA performance, supply chain efficiency & security, logistics agility and manufacturing scalability.

OUR VISION

To power the world's visionaries by delivering cutting-edge infrastructure technology solutions tailored to their needs quickly, reliably, sustainably, at cost.

OUR MISSION

We aim to be your preferred provider of transformative infrastructure technology, empowering you to drive the transition toward sustainable solutions for the future.

SOCIAL RESPONSIBILITY

Every company wants to make an impact. Hypertec is proud of its work supporting sustainability and its ethical labour practices.

OUR VALUES

Our culture & values set us apart. We believe in empowering our employees to lead and drive for the very best results for everyone.

- Innovation
- Customer focus
- Integrity and trust
- Communication
- Respect
- Entrepreneurship

Entrepreneuriat
Integrity
Communication
Respect
Innovation
Customer Focus
Entrepreneuriat
Trust
Entrepreneurship
Intégrité et confiance
Entrepreneurship
Communication
Integrity
Customer Focus
Axé sur la clientèle
Trust
Integrity
Intégrité et confiance
Communication

Performance Highlights



Transformative Technology Business



Better Society



Better Planet

20% of Eco friendly Products
in our Portfolio

50% Energy Usage Reduction with
Cooling Immersion Servers

30% Increase in Efficient
Performance Cloud
Computing Infrastructure

20 Innovation Projects
Product & Services

36% Women Representation
Globally

32% of Management Positions in
Canada's Workforce are Held
by Women

2.43 Total Recordable Incident Rate
(TRIR)

120,000 Individuals Enrolled with
Digital Healthcare in
North America

273.80t Greenhouse Gas Emissions:
Gross total Scope 1 & 2
CO²e

27% Reduction in Scope 1 & 2
Emission-absolute Value
(2019 baseline)

44% Reduction in Energy Absolute
Value
(2019 baseline)

11% Electricity Building from
Certified Renewable Source
Gros-Morne wind Farm

The Sustainability Context

Our corporate strategy focuses on the three pillars of the ESG: environment, social, and governance.



ENVIRONMENTAL

Include how a business performs as a steward of our natural environment, and includes:

- Biodiversity
- Water Conservation
- Product Energy use
- Energy Conservation
- Green House Gas Emissions (GHG)
- Raw Material Sourcing (Product material and Packaging)
- Waste Management
- Product End-of-Life (e-waste)
- Climate Change Decarbonisation

SOCIAL

Social aspects consider how a company treats people, and includes:

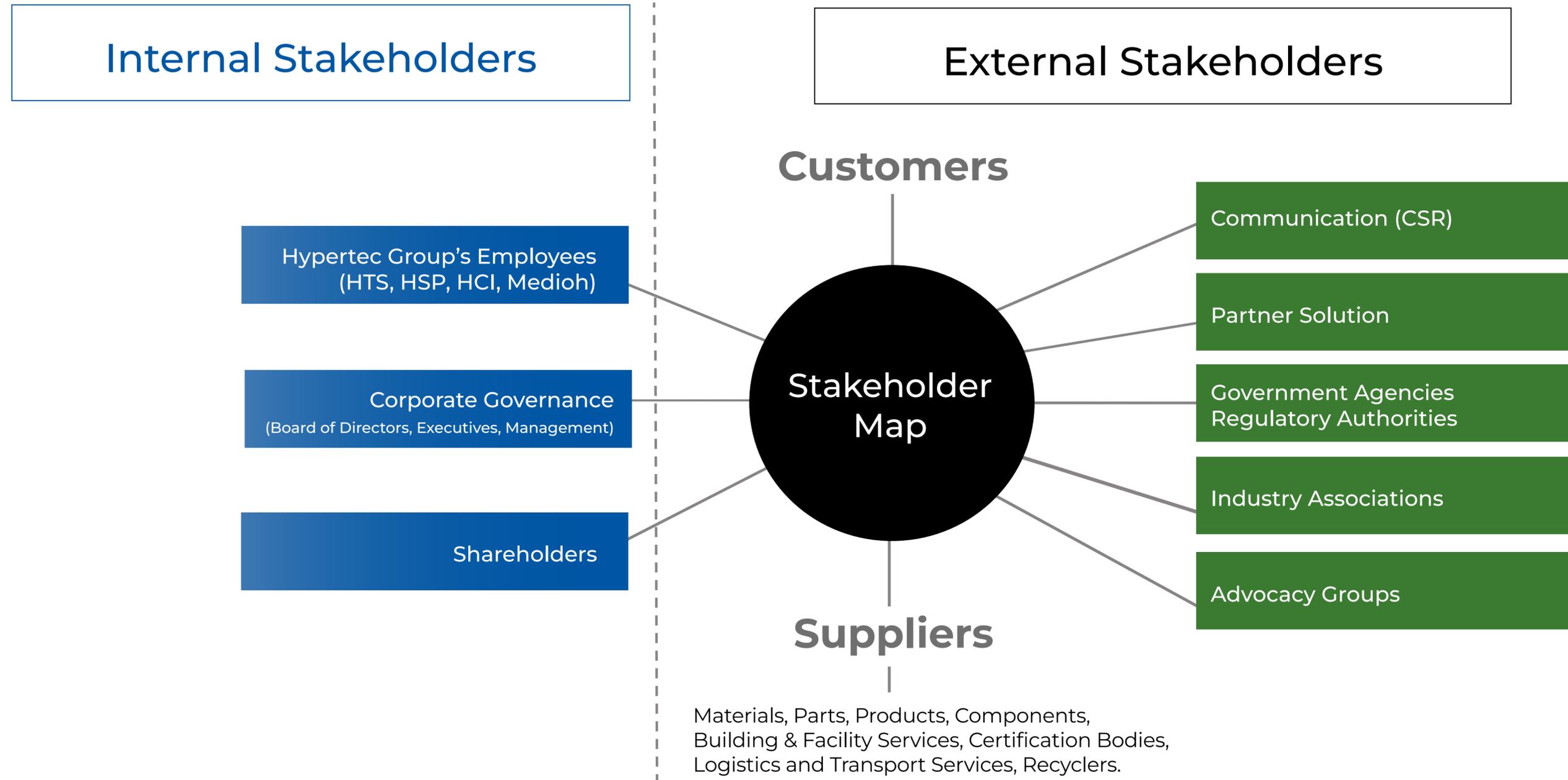
- Community Relations
- Training & Professional Development
- Diversity, Equity, Inclusion (DEI)
- Employment
- Labor Relations
- Career Advancement
- Occupational Health & Safety
- Sustainable Procurement Practices
- Responsible Conflict Mineral
- Child & Forced Labor

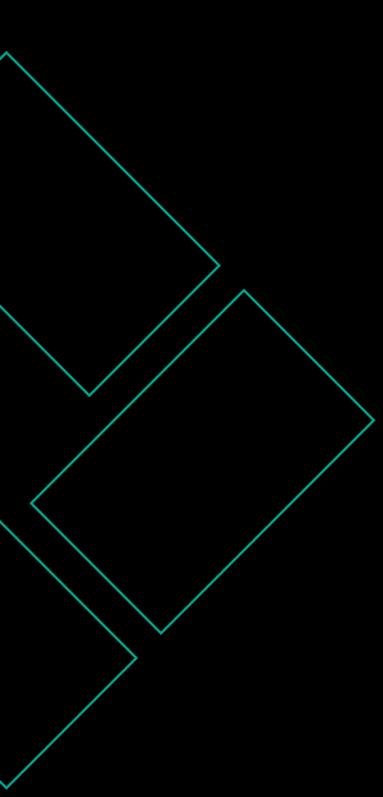
GOVERNANCE

Governance addresses how a corporation governs and polices itself, and includes:

- Customer Safety
- Advocacy
- Corruption & Bribery
- Anti-competitive Practices
- Risk Assessment / Materiality
- Internal Reponsabillity System (IRS)
- Goals & Strategies
- Information Security
- Innovation (Environment & Social)

Our Stakeholders





05

Governance

Who we are and what we do



Governance

Hypertec upholds stringent governance, ethics, compliance, and risk management standards. The company institutes corporate governance to enhance its governance capabilities in critical areas such as human rights, environment, climate, and ethics. Hypertec consistently develops and revises policies and protocols to effectively guide stakeholders toward achieving long-term development with a strong focus on performance, accountability, and a culture of integrity.



CORPORATE GOVERNANCE

Hypertec’s Board, which is led by the President and guided by a formal mandate, oversees key responsibilities, including management appointments, strategic planning, financial monitoring, risk management, sustainability initiatives, and policy compliance. Our directors are accomplished leaders with extensive experience, possessing a range of relevant skills and competencies, and are independent of Hypertec and management. The Board, alongside Hypertec’s management, is committed to preserving and enhancing shareholder value, with clearly defined roles for each committee. Ongoing assessments ensure that corporate governance processes align with the company’s objectives. The Executive Officers of each business unit, along with the corporate

management team, are responsible for developing a long-term corporate strategy. The Board rigorously reviews, evaluates, validates, and approves this strategy for all operating segment and business activity within Hypertec.

The Board also collaborates with management to ensure alignment with Hypertec’s vision and values, prioritizing the interests of both the Corporation and its stakeholders.

This oversight extends to the management of Internal Audit and Risk Management, which are critical for fostering comprehensive sustainability practices, including effective climate risk management

SUSTAINABILITY GOVERNANCE

Hypertec embarked on its sustainability journey in 2010 by establishing an Environmental Committee responsible for implementing environmental risk mitigation strategies. This marked the initiation of the Environmental Stewardship Management System, leading to the company’s attainment of the Eco Leader Certification in 2014.

This strategic move showcased Hypertec’s commitment to environmental responsibility, involving implementing environmental protection practices, setting environmental goals, and fostering employee engagement in sustainability-related initiatives.

Sustainability Governance

This journey signifies Hypertec's proactive stance in integrating sustainability into its core values and operations

SUSTAINABILITY GOVERNANCE

As the sustainability landscape evolved, Hypertec adapted its approach accordingly. The transformation of the Environmental Committee into the Sustainability Committee reflects a broader commitment to addressing not only environmental aspects but also social, governance, and economic dimensions of sustainability. This adaptability underscores Hypertec's dedication to staying at the forefront of responsible corporate practices.

This journey signifies Hypertec's proactive stance in integrating sustainability into its core values and operations, making it a noteworthy leader in corporate sustainability.

At Hypertec, sustainability governance, including climate and management structure, is under the direct supervision of the Board of Directors. The President has instructed the Chief Innovation and Sustainability Officer to be the highest responsible executive representative for sustainability and climate change management. Hypertec established a dedicated unit for sustainable development with the Quality Assurance & Sustainability Senior Manager as the unit's management representative in 2021.

The Sustainability Committee was established to help Hypertec understand global sustainable development trends and analyze sustainability issues, including governance, environmental, and social factors. Additionally, Hypertec has integrated the sustainability task force into its broader management framework to enhance its commitment to sustainability.

At Hypertec, our Chief Innovation and Sustainability Officer plays a direct role in formulating, approving, and updating the organization's strategies, policies, and goals concerning economic, environmental, and social aspects. The Sustainability Committee provides oversight for sustainability-related strategy, performance, and reporting.

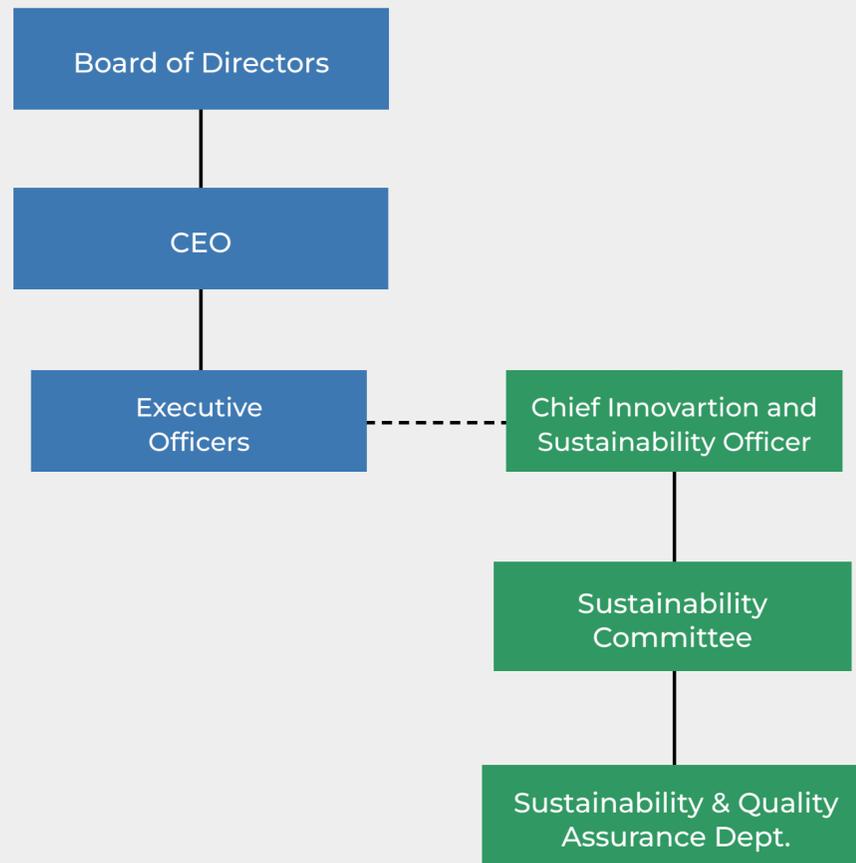
The Chief Innovation and Sustainability Officer and the Board of Directors at Hypertec are responsible for approving the integrated report, ensuring comprehensive coverage of all material topics.

KEY ASPECTS OF OUR INTERNAL AND EXTERNAL COMMUNICATION INCLUDE:

- Quarterly reporting to the Chief Innovation and Sustainability Officer and Sustainability Committee.
- Quarterly reporting to the Executive Officers and Board of Directors.
- Quarterly customer and stakeholder meetings
- Ongoing intranet and social media channel updates
- Annual Integrated Report and website updates

Code of Business Conduct

Our Code of Business Conduct Policy guides every Hypertec employee and partner, shaping their conduct based on ethical principles and leadership values.



CODE OF BUSINESS CONDUCT

Our success in governance and oversight is gauged through various measures, including the monitoring of submitted complaints. We plan to implement a third-party platform by 2024 dedicated to investigating reports and applying impartial governance mechanisms and controls. We also assess our suppliers' compliance with our Responsible Business Alliance (RBA) Code of Conduct and, starting in 2024, our ESG screening requirements.

Our Code of Business Conduct Policy guides every Hypertec employee and partner, shaping their conduct based on ethical principles and leadership values. Annual reaffirmation of commitment is standard practice. Reports undergo meticulous recording and resolution processes, ensuring whistleblower protection.

Regular updates to the executives and sub-committees provide ongoing oversight of raised concerns and their resolutions. Other dimensions include scrutinizing the composition of our Board, tracking its evolution over time with a focus on diversity, and monitoring any monetary losses resulting from anti-competitive practices or corruption-related penalties. We follow the completion of crucial training initiatives by our team members, particularly those related to anti-corruption programs.

Hypertec's focus on governance, ethics, compliance, and risk management, along with its emphasis on human rights, environmental responsibility, and stakeholder engagement, positions the company as one dedicated to responsible and sustainable business practices. These principles are integral to building a positive reputation and ensuring long-term success in an increasingly socially and environmentally conscious business landscape.

Materiality Assessment

An annual materiality assessment is conducted in collaboration with internal and external stakeholders

SUSTAINABILITY GOVERNANCE

An annual materiality assessment is conducted in collaboration with internal and external stakeholders as an integral part of the Company's sustainability program based on the ESG pillars. The purpose is to identify ESG-related risks and opportunities assessing their impacts on the business and stakeholders. The outcomes undergo thorough review and approval by the Sustainability Committee and are subsequently integrated into the Corporate Sustainability Report, which receives final approval from the Board. This assessment serves as a guiding framework for establishing objectives in the Company's Sustainability programs, shaping goals and targets, influencing business strategy, directing communications efforts, and informing the disclosures featured in The annual corporate sustainability report.

The materiality assessment below shows the importance assigned to each topic by Hypertec's internal stakeholders (the left-right axis) and external stakeholders (the up-down axis). This materiality assessment is expressed by ESG risks and Level of Risk. We performed this thorough

materiality assessment to prioritize the twenty-eight (28) risks and opportunities that substantially impact our business. These risks are classified into the three ESG pillars, encompassing nine (9) environmental risks, ten (10) social risks, and nine (9) governance risks. We find significant alignment between Hypertec employees' key priorities and the topics that are likely to be effective in shaping the decisions and impressions of Hypertec's external stakeholders. The thirteenth (13) sustainability priorities in the upper-right quadrant of the plot red area that matter most to both groups: Employment, Labor Relations, Career Advancement, Occupational Health & Safety, Sustainable Procurement Practices, Responsible Conflict Mineral, Internal Responsibility System, Product -End-of-Life (E-waste), Climate Change & Decarbonization, Child & Forced Labor, Goals & Strategies, Information Security, and Innovation.

This strategic approach allows us to address the most relevant environmental, social, and governance aspects, aligning with our commitment to responsible business practices.

OUR PARTICIPANTS

- Internal stakeholders
- Sustainability Committee
- Executive Officers
- Social Performance Team
- Senior Leadership Management

EXTERNAL STAKEHOLDERS

- Suppliers
- Customers
- Peers
(transportation packaging, IT services and components industry)
- Competitors in the IT industry
(hardware manufacturers computer, peripherals, networking equipment, storage, servers) and infrastructure solutions (cloud computing, software)

Materiality Assessment by ESG Principles

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">IMPORTANT TO HYPERTEC – EXTERNAL STAKEHOLDERS CUSTOMERS</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">RELEVANT</p>			
	LOW		RELEVANT

IMPORTANT TO HYPERTEC – INTERNAL STAKEHOLDERS CUSTOMERS

ENVIRONMENTAL
(9 RISKS)

1. Biodiversity
2. Water Conservation
7. Product Energy Use
8. Energy Conservation
9. GHG Emissions
10. Raw Material Sourcing (Product Material and Packaging)
11. Waste Management
23. Product End-Of-Life (E-Waste)
24. Climate Change & Decarbonization

SOCIAL
(10 RISKS)

5. Community Relations
6. Training & Professional Development
15. Diversity, Equity, and Inclusion (DEI)
16. Employment
17. Labor Relations
18. Career Advancement
19. Occupational Health & Safety
20. Sustainable Procurement Practices
21. Responsible Conflict Mineral
25. Child & Forced Labor

GOVERNANCE
(9 RISKS)

3. Customer Safety
4. Advocacy
12. Corruption & Bribery
13. Anti-competitive Practices
14. Risk Assessment/ Materiality
22. Internal Responsibility System (IRS)
26. Goals & Strategies
27. Information Security
28. Innovation(Environmental & Social)



Responsible Technology

COMPREHENSIVE INFORMATION SECURITY PROGRAM

At Hypertec, we have instituted a comprehensive Information Security Program to underscore our commitment to responsibly using and safeguarding identifiable information of customers, consumers, employees, and partners. Led by our Information Technology and Legal Department, the Information Security Program regularly reports its progress to the Chief Legal Officer and Chief Information Officer.

Our program, supported by the Chief Legal Officer, Chief Information Officer, and IT teams, ensures compliance with global privacy laws. All employees must undergo the Hypertec Information Security course, reinforcing their individual and collective responsibility to adhere to our privacy and security policies.

The program maintains incident reporting mechanisms and collaborates across teams to investigate, mitigate, and prevent privacy and security incidents that could impact our company, customers, users, or employees.

To stay informed about our product and website information security practices, individuals can visit our dedicated page: www.hypertec.com.

Recognizing the paramount importance of privacy, we maintain a global Information Security Program, harmonizing privacy principles across the organization. The Information Technology and

Legal Department leads this program and regularly coordinates with a cross-functional privacy working Group. The Hypertec Group, comprising key business and operations units, meets regularly to discuss privacy policies, legal developments, industry trends, etc.

Key elements of our approach include monitoring global privacy and data protection legal developments, harmonizing privacy requirements, providing contractual support to manage risks, offering early input to product development teams, responding to individuals' requests, coordinating responses to government requests, conducting privacy-focused training programs, and maintaining an internal Privacy Program portal for employees.

We prioritize the security of sensitive and critical data, implementing rigorous measures to prevent unauthorized access. Our procedures include the sanitization of devices, and in cases where sanitization is not successful, we take the additional step of physically destroying the drives to eliminate any possibility of data recovery. All our practices adhere to the guidelines outlined in the NIST SP 800-88 r1 standard for data sanitization requirements.

Partners

We partner with leading hardware suppliers like Fortinet, Barracuda Networks, Cisco, and ESET to deploy a wide range of security measures to safeguard our customers' data.

At Hypertec, we consider the responsible use and protection of personal information a core value, and our Information Security Program reflects our commitment to upholding the highest standards in privacy practices and processes.



Integrated Management System

INTEGRATED MANAGEMENT SYSTEM, ENERGY AND SOCIAL RESPONSIBILITY

Hypertec strategically establishes targets to address its significant impacts through an integrated approach, utilizing related-sustainability management systems such as

- ISO 14001:2015 (environmental)
- ISO 50001:2018 (energy management)
- ISO 45001:2018 (occupational health and safety)
- ISO 9001:2015 (quality)
- Green Building (Boma Best)
- SA8000:2014 (Social Accountability)

Teams across functions, including business units, operations, Legal, Information Security, Finance, and Human Resources, set key performance indicators (KPIs) aligned with their impacts, contributing to corporate ESG KPIs. The formulation and approval of these KPIs involve the Sustainability Committee, with support from Hypertec’s Board of Directors.

In recognition of the fact that risk management is a collective responsibility, Hypertec seamlessly integrates it into the organization’s annual strategic planning process across all primary functions.

This approach ensures that risk management is not an isolated process but an inherent component of the overall planning and accountability structure.

Hypertec and its solutions comply with the highest industry standards for Quality, Environment, Health and Safety, Energy, Social accountability, Security Information.

Hypertec Sustainability-Related registrations and Certifications include:

Information Security, Customer Advocacy and Innovation






IN PROGRESS




Social Responsibility and Sustainability



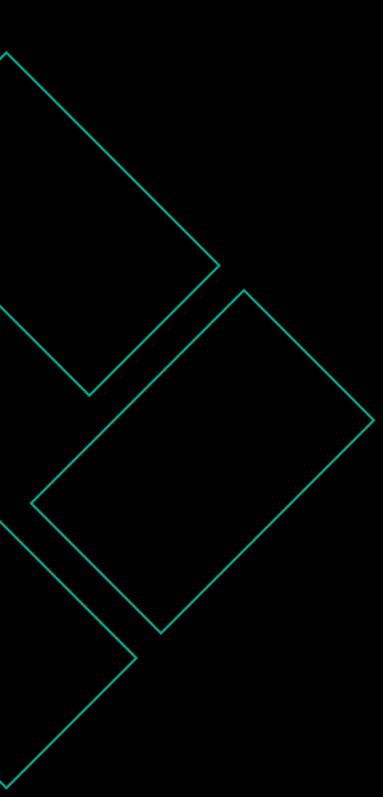












06

Better Society

Who we are and what we do

Better Society

The company is committed to accelerating the adoption of sustainable IT solutions worldwide.

6.0. BETTER SOCIETY

The evolution of the technology industry has transformed from merely enabling businesses to becoming a pivotal force in driving sustainable and inclusive growth.

In pursuit of this mission, the company fosters a culture centered around its core values, which guide daily choices, and employee development is viewed as a powerful driver for ongoing enhancement, heightened engagement, and exceptional performance.

The company is committed to creating sustainable value in the long term. To achieve this, the company has started reviewing and enhancing its stakeholder engagement strategies this fiscal year 2023.



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6.1.0. EMPLOYEE ENGAGEMENT

Hypertec recognizes that its most valuable asset is its people. Employee engagement is not just an idea but is a fundamental aspect of our corporate culture. We understand that engaged employees are not only more productive but also play a pivotal role in driving innovation and excellence in the technology and IT solutions we provide.

To that effect, Hypertec organized a Global Manager Meeting, bringing managers from all regions and business units. These meetings serve to align management strategies, share results and insights, and foster collaboration among leadership on a global scale.

Our commitment to employee engagement goes beyond job satisfaction; it's about fostering a workplace where our team members are inspired, empowered, and genuinely invested in our shared mission. This conviction sets the stage for exploring how Hypertec prioritizes employee engagement to ensure a vibrant, motivated, and forward-thinking workforce that drives our company's success.

These initiatives and activities collectively reflect Hypertec's commitment to enhancing employee well-being, recognizing their contributions, fostering innovation and growth, and promoting a positive and engaged workforce.

In 2023, progress toward this goal was made through the following initiatives:

<p>401K AND RRSP PROGRAMS: (Regd. Retirement Savings Plan)</p>	<p>HSA ACCOUNT (Healthcare Spending/Savings)</p>	<p>SERVICE MILESTONE PROGRAM</p>	<p>BUSINESS REFERRAL PROGRAM</p>
<p>Hypertec continues to offer a 401K and an RRSP program, providing employees with the opportunity to save for their retirement in a tax-efficient manner. This program is designed to help employees secure their financial future.</p>	<p>The offering of the HSA program demonstrates Hypertec's commitment to employee well-being. The Employer contribution to an employee's HSA provides employees the means to cover eligible healthcare expenses, offering flexibility and support for their health and wellness needs.</p>	<p>Recognizing the dedication and loyalty of its employees. This initiative celebrates and rewards employees for their long-term commitment to the company, fostering a sense of belonging and recognition.</p>	<p>Hypertec initiated the Business Referral Program, encouraging employees to contribute to the growth and success of the company actively. This program incentivizes and rewards employees for referring potential business opportunities, strengthening the company's network and prospects.</p>
<p>INNOVATION AND CANDIDATE REFERRAL PROGRAMS</p>	<p>QUARTERLY "COFFEE TALK" MEETINGS</p>	<p>TUITION REIMBURSEMENT POLICY</p>	<p>TELEMEDECINE</p>
<p>Hypertec revamped its Innovation and Candidate Referral Programs, highlighting its focus on continuous improvement and talent acquisition. These programs were optimized to better support innovation and attract top talent to drive the company's mission and growth.</p>	<p>The launch of "Coffee Talk" meetings was an initiative taken from employee feedback from the Global Employee Engagement Survey. It encourages informal, friendly, and open conversations among employees to enhance communication, collaboration, and camaraderie within the organization.</p>	<p>Launched in 2023, Hypertec is committed to supporting learning and development by providing educational assistance to employees who pursue continuous work-related knowledge and skills improvement through the Tuition Reimbursement Program.</p>	<p>In 2023, Hypertec was proud to increase health benefit offerings to its Canadian employees through its launch of a new Virtual Health Care Program. We believe that prioritizing employee wellbeing fosters sustained engagement and productivity.</p>

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6.1.1. EMPLOYMENT BENEFITS

In addition to the regular paycheck, there are numerous benefits, services, and conveniences provided by Hypertec to help secure protection and assistance for our employees and their families. These benefits indicate appreciation and concern for employee welfare.

The Employee Benefits Package includes health care coverage such as extended medical and dental coverage, long-term disability coverage, travel and life insurance; Paid Time Off each year for sick leave or personal use (floater days); grants leave of absence to employees as per certain conditions; Incentive program for management related to company performance; flexible organization of work available to employees such as telework.

The company's retirement fund programs are designed to assist employees in saving for their future retirement. The retirement programs are contributory, which means both our eligible employees and the company contribute toward the plan. Employees are encouraged to contribute through regular payroll deductions.

The company's vacation program states that all full-time, permanent, salaried employees are entitled to vacation according to their vacation allotment at hiring and years of service with the Company.

6.1.2. CAREER ADVANCEMENT

Hypertec wants to do everything possible to help our employees improve their abilities and opportunities. Accordingly, the following programs and policies have been implemented to help our employees advance.

6.1.3. PROMOTIONS AND TRANSFERS

Wherever possible, vacant positions are filled from within the Company.

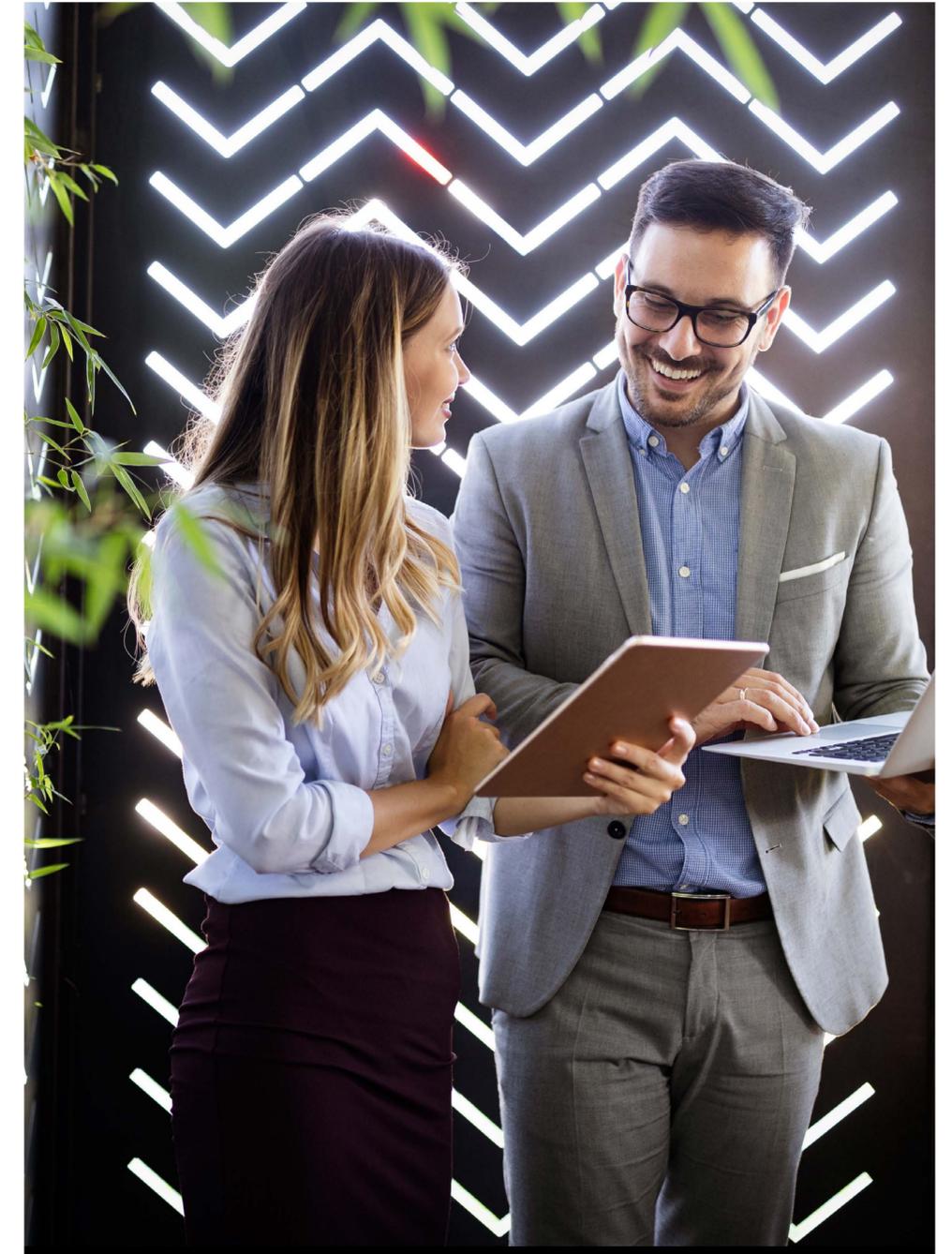
The management of every business unit shall make promotions based on qualifications, merit, and job performance.

Length of continuous service is taken into account but is not the primary determinant. It shall be considered in promotions when it is the only significant difference among employees with relatively equal qualifications.

If management judges that there are no employees within Hypertec that are qualified for the vacant position, a qualified candidate can be hired from any source.

When the Company deems it necessary to fill vacant or newly created jobs, a notice of opening will be posted. If any employee wishes to be considered for the position, they must apply for it.

The Company's internal promotion rate has remained steady for the two past fiscal years of 2022 and 2023.



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6.1.4. TRAINING AND PROFESSIONAL DEVELOPMENT

Hypertec is dedicated to its employee's training and professional growth to support the continuous improvement of our value proposition and provide total customer satisfaction. We achieve our goals through the inspiration, dedication, and motivation of our people. We recognize and encourage our employees to participate in any learning opportunity (formal education, courses, workshops, seminars, apprenticeships, webinars, and others) that increases their learning and, ultimately, their contribution to our company.

Hypertec succeeds because we adhere to high standards. The foundation for success is based on having organized and well-trained employees. A training program is provided for all employees, most of which will be on-the-job training. Employees will be encouraged to acquire the skills necessary to qualify for any future position in which they may be interested.

Hypertec launched a Tuition Reimbursement Program in 2023, which encourages full-time, permanent employees to increase their knowledge and job effectiveness by continuing their education. Our program provides financial assistance at the total discretion of the company and based on the course or program's relevance to the job as long as the employee successfully completes the course for a specified period.

The Human Resources department is available to all employees and managers to help identify training needs and facilitate training. Employees are encouraged to discuss skill requirements, training needs and opportunities, and potential for development and career growth with their manager.

6.1.5. TRAINING PROGRAMS AND HOURS OF TRAINING

Employee training hours may be monitored through our Learning Management System (LMS) and in-person training.

E-Learning

Our Hypertec Learning Management System (LMS) is a proven solution for enhancing the skills, competencies, and knowledge of our employees and contains course content in French and English languages. Our online resources are available 24 hours per day, seven days per week. This benefit is available at no cost to Hypertec employees. This system allows us to obtain relevant data such as key metrics (average training hours per employee), dashboards, tailored courses, enrollments, reports, and catalogs. Training Program Topics

TRAINING PROGRAM TOPICS

We also train our employees on topics important to reducing sustainability material risks. Some of our courses are related to our integrated management

system. Moreover, we are developing our Sustainability custom content that will be available on the LMS platform in Q4 of 2024.

The following training is specific to environmental, social, and governance topics:

- Introduction to Sustainability
- Energy and GHG Emissions Management and Climate Change
- Raising Awareness of Environmental Impacts
- Sustainable Procurement
- Waste Management
- Sustainable Product Management (Product Life Cycle and carbon Footprint)
- Circular Economy
- Sustainability Risk Assessment (Materiality)

Training courses that support our Integrated Management System are the following:

- Information Security
- Anti-discrimination and Anti-harassment
- Privacy Information Security
- Occupational Health and Safety
- Quality Assurance & Sustainability Orientation
- Working Conditions
- Performance Management
- Child and Forced Labor Prevention
- Whistleblowing
- Operational Excellence

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6.2.0. OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

Hypertec places paramount importance on the well-being and safety of its employees. Our commitment to health and safety encompasses a holistic and compliance approach, from fundamental principles to concrete actions.

At the core of our ethos is the belief that all accidents are preventable and that an injury-free environment is not merely an aspiration but an achievable reality. We firmly hold that responsibility for safety extends across every level of our organization, from the leadership team to every dedicated employee.

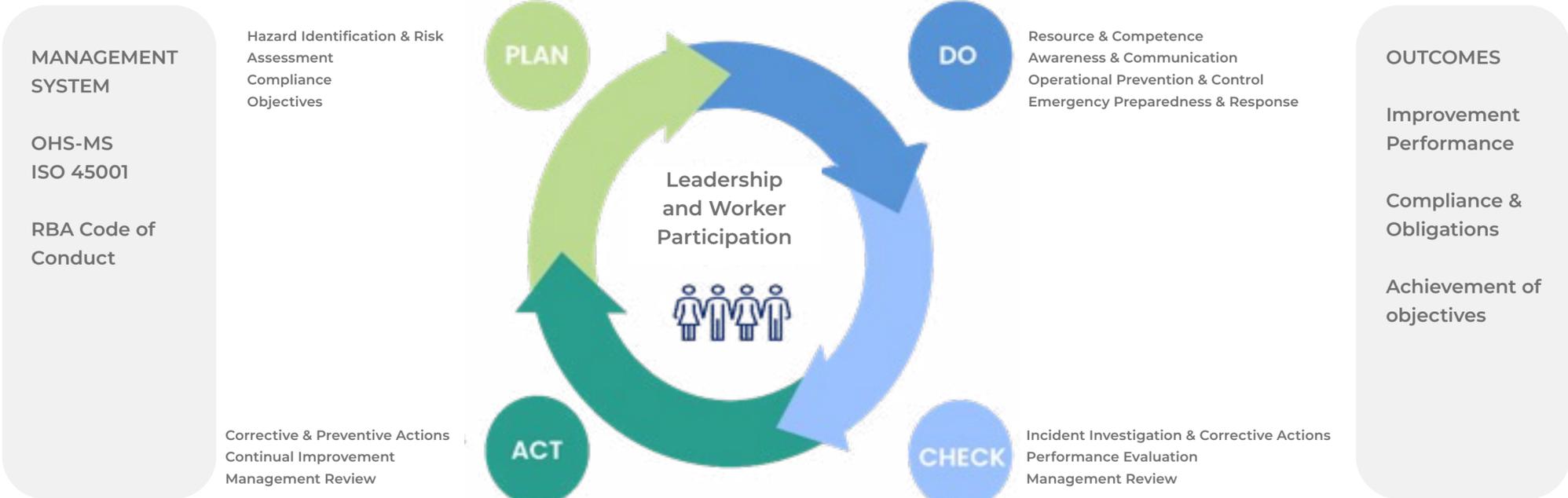
Our top management, in collaboration with our human resource department, is dedicated to protecting employees from reprisals when they report incidents, hazards, risks, and opportunities. This commitment is spearheaded by the company's President, with the active involvement of senior staff, and it is reflected in various management practices designed to prevent, protect, and uphold compliance with all laws and regulations.

In our report for 2023, we proudly announce our adherence to world-class safety standards through the implementation of the Occupational Health and Safety (OHS) Management System. Our Canadian manufacturing facility's ISO 45001:2018 (OHS) certification exemplifies this robust framework. On-site third-party audits validate our unwavering commitment to ensure rigorous compliance.

6.2.1. OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

A robust and all-encompassing Occupational Health and Safety Management System underpins our commitment to health and safety. This system is structured around key pillars, which are the health and safety policy, objective, rigorous risk evaluation and assessment, awareness, prevention and control, emergency preparedness, incident investigations, and enhancement performance.

For specific data on our safety performance, including our recordable injury rate and days away from work rate, please refer to Section 1, Master of Consolidated Metrics, in this report. This section provides a detailed overview of our safety metrics and performance, offering insights into the effectiveness of our health and safety management system.



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6.2.2. HAZARD IDENTIFICATION AND ASSESSMENT OF HEALTH AND SAFETY RISKS

It is a fundamental component of our Occupational Health and Safety (OHS) management system, underpinned by a proactive approach known as risk-based management. These processes are pivotal for the prevention of work-related injuries and illnesses and the effective implementation of operational controls.

Our company has instituted a comprehensive hazard and risk identification program that extends across all our activities and projects throughout our operations, including contractors' operations.

This program is designed to:

- **Identify Health and Safety Risks:**
It meticulously evaluates the activities, projects, and work environments to identify potential health and safety risks and their associated impacts.
- **Mitigation:**
Upon identifying risks, the program recommends mitigation strategies, including engineering controls, to address and eliminate these risks.
- **Tracking:**
We track and monitor the progress of action items and measures to ensure that corrective actions are taken promptly and effectively.
- **Communicate Resolution:**
Our approach also emphasizes transparent communication, ensuring that the challenges and their resolutions are effectively communicated to all relevant stakeholders.

This diligent approach allows us to implement robust health and safety measures, proactively addressing potential risks to prevent work-related injuries. In 2023, we strengthened our comprehensive system for identifying and assessing hazards while expanding its coverage to include multiple manufacturing sites. This expansion reflects our commitment to ensuring workplace safety, even as the program transitions beyond its original focus on electricians, who were previously the primary group that had exposure to this program.

6.2.3. AWARENESS AND COMMUNICATION

The company is dedicated to nurturing a culture that places a high value on health and safety. Integral to the success of our health and safety management system is active employee participation. We extensively raise employee awareness through online and on-site training to ensure employees receive in-depth, hands-on education in health and safety protocols and certifications. Our primary objective is to ensure that all our employees have a comprehensive understanding of:

- **OHS Policy, Procedures, and OHS Management System:**
These components are the backbone of our commitment to health and safety. The OHS policy sets the overarching goals and principles for safety, while procedures provide the specific steps and guidelines for implementing safety measures. The OHS management system is the framework that ensures these policies and procedures are consistently applied. Their roles are vital in achieving the policy's objectives and maintaining a systematic approach to health and safety management.



- **Actual and Potential Hazards:**
Recognizing the actual and potential hazards in the workplace is fundamental. This includes understanding the risks associated with the work being performed and their potential consequences. It is essential to grasp the direct impact on health and safety when deviating from established procedures and to appreciate the benefits of adhering to these procedures, including improved employee performance and reduced risk.
- **Emergency Preparedness and Response:**
Knowing the emergency preparedness and response requirements is crucial to reacting effectively during unforeseen incidents. This includes having a clear understanding of evacuation procedures, emergency contacts, and the necessary steps to ensure the safety of all.
- **Skills and Competence:**
Certain roles within the organization may have exposure to increased risks to health and safety. Recognizing the appropriate level of skill and competence required for individuals in these roles is paramount. Adequate training, qualifications, and experience are essential to manage significant health and safety hazards effectively.

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Through these actions, we strive to create a workplace that is safer, healthier, and more supportive of the well-being of our employees and stakeholders.

6.2.4. PREVENTION AND CONTROL

The company places a primary emphasis on prevention within its health and safety program. Health and safety standards are integrated from the earliest stages of facility development to non-routine tasks and projects. Our “Preventive Approach for Health and Safety” serves as a safety foundation, offering essential precautions for manufacturing sites, particularly during the installation of new technology. This process includes a change management component for locations incorporating new processes, services, and materials. The aim is to proactively prevent work-related injuries.

6.2.5. PERFORMANCE EVALUATION

At Hypertec, management incorporated a strong emphasis on regularly assessing the performance of our manufacturing sites to ensure that health and safety objectives are consistently met.

These assessments include the following key components:

- **Monthly KPI Assessments:**
Each month, we review health and safety Key Performance Indicator (KPI) performance to verify progress, correct any deviations from the established targets, and provide the necessary support to achieve health and safety goals.

- **Internal Audits:**
Regular internal audits, including self-assessments, are conducted at our manufacturing facility located in Montreal as part of our Integrated Management System. These audits are crucial in assessing compliance with health and safety standards and pinpointing areas for enhancement.
- **Management Reviews:**
Quarterly management reviews are scheduled for manufacturing sites. These reviews offer a platform for in-depth assessments of health and safety performance and facilitate proactive decision-making to improve safety measures.

Through these assessment and review processes, we uphold our commitment to maintaining a proactive, accountable, and continuously improving approach to health and safety across our organization. These evaluations enable us to refine our performance, share valuable insights, and collectively foster a culture of safety and well-being.

6.2.6. CONTINUAL IMPROVEMENT

Our organization is committed to the ongoing enhancement of the suitability, adequacy, and effectiveness of the Occupational Health and Safety (OH&S) management system. We achieve this commitment through the following measures:

- **Enhancing OH&S Performance:**
We actively work to improve our OH&S performance, seeking opportunities to reduce risks and enhance safety.
- **Promoting a Culture of Support:**
We foster a culture that wholeheartedly supports the OH&S management system. This culture emphasizes the importance of safety in all aspects of our operations.
- **Worker Participation:**
We encourage the active participation of workers in implementing actions for the continual improvement of the OH&S management system. Workers are integral to identifying and addressing safety concerns.
- **Communication:**
We communicate the relevant results of improvement to our workers and, where applicable, workers’ representatives. Transparent communication ensures that all stakeholders are aware of the improvements and their impact on safety.
- **Documented Evidence:**
We maintain and retain documented information as evidence of our ongoing commitment to continual improvement. These documents serve as a record of our progress and are integral to our efforts to enhance our OH&S management system.

Our dedication to continual improvement remains at the forefront of our OH&S management system.

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Through these actions, we strive to create a workplace that is safer, healthier, and more supportive of the well-being of our employees and stakeholders.

6.2.7. CERTIFICATION AND AUDITS

Our certification and audit processes demonstrate our commitment to maintaining a safe and secure work environment for our employees. They also help us identify areas for improvement and ensure that we consistently comply with the latest health and safety standards. Our goal is to provide the highest level of safety for our workforce and stakeholders.

As a company, we remain steadfast in our commitment to continuously developing, fostering and maintaining a health and safety-focused work environment. We recognize that our employees are our most valuable asset, and their well-being is non-negotiable. Our journey toward a safer workplace is a shared endeavor embraced by every member of the Hypertec team.



6.3.0. HUMAN RIGHTS MANAGEMENT

6.3.1. DIVERSITY, EQUITY, AND INCLUSION

The company is committed to advancing diversity, equity, and inclusion within and beyond its work environment. With a shared sense of belonging, its leadership and team members bring differing perspectives, ideas, and experiences to their work, fueling innovation and driving transformational change.

The company understands the importance of achievement, balance, connection, diversity, and inclusion. The company also understands the importance of moving beyond awareness of biases to understanding how inclusion and belonging impact its culture and ability to collaborate and drive results.

The company offers several benefits that support an inclusive culture by promoting work-life balance and flexibility. The company encourages women and different minority groups to enter and succeed in technology careers. The company cultivates a diverse, inclusive culture where people feel like they can do their best work.



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6.3.2. CHILD LABOR

Hypertec does not accept child labor and works actively against it. The complexity of the child labor issue requires a consistent, long-term effort to create sustainable and broad-based solutions; no products delivered within our value chain are produced by child labor. Hypertec respects different cultures and values in countries where it sources its products and components, but does not compromise the basic requirements regarding child rights.

The company has established and implemented the procedures and policies related to Child Labour outlined in the RBA Code of Conduct and the supply chain responsibility procedure. All suppliers must adhere to policies and are informed of all production locations, including contractors. Hypertec reserves the right to make unannounced visits to their suppliers at any time to all places of production, including their sub-suppliers, for goods intended for supply to Hypertec. Hypertec furthermore reserves the right to assign, at its sole discretion, an independent third party to conduct inspections to ensure compliance with Hypertec's child labor policy and RBA Code of Conduct.

Following inspections or through any other sources of information, if Hypertec becomes aware of the use of child labor within the company and its value chain, Hypertec shall immediately terminate or ask to terminate the child contract and follow the child labor remediation procedure.

Any employee who learns of a potential violation of this guideline must report their suspicion promptly to the Social Performance Team through hr@Hypertec.com. Reports can also be made in person in confidence to the Human Resources department. The person to whom the incident has been reported must maintain confidentiality concerning the reporter, and such matters should not be discussed with any unauthorized person. Employees who report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct shall be protected against retaliation. Hypertec is committed to not accepting child labor and works actively against it.

6.3.3. FORCED LABOR

Hypertec unequivocally upholds the principles outlined in the C029 - Forced Labor Convention (No. 29), which expressly forbids any form of compulsory or forced labor and designates contravention of this prohibition as a punishable offense. Our commitment to prohibiting forced labor is an integral part of our corporate values and ethical standards. We strive to ensure that everyone in our organization is empowered, respected, and free to make their own choices. This commitment aligns with international labor standards and reflects our dedication to ethical and responsible business practices.

We want to emphasize our commitment to these principles:

■ No Forced or Compulsory Labor

Hypertec categorically denounces forced or compulsory labor. We do not engage in, endorse, or tolerate such practices in any aspect of our operations.

■ Voluntary Employment

We ensure that all individuals working within our organization do so willingly and voluntarily. We aim to create a work environment where employees choose to work with us based on their own free will.

■ Dignity and Respect

Hypertec is dedicated to fostering a work environment where every employee is treated with the utmost dignity and respect. We uphold principles of equitable treatment, fairness, and non-discrimination.

■ Freedom to Terminate Employment

Everyone within our organization can leave our workplace premises upon completing their standard workday. They can terminate their employment by following the required notice periods defined by the National Labor Act or their respective employment contracts.

■ Reporting Suspected Violations

We encourage employees who suspect any violation of these principles to promptly report their concerns to the Social Performance Team via hr@Hypertec.com. In-person, confidential reports can also be made to our Human Resources department. We take these reports seriously and handle them with the utmost discretion.

■ Protection for Whistleblowers

Hypertec is committed to safeguarding employees who report potential misconduct or provide information to assist in upholding these principles. We maintain strict confidentiality regarding such matters and ensure that whistleblowers are protected from any form of retaliation.

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At Hypertec, we prioritize fostering positive labor relations and ensuring that our employees are well-compensated and provided with competitive benefits.

6.3.4. LABOR RELATIONS

At Hypertec, we prioritize fostering positive labor relations and ensuring that our employees are well-compensated and provided with competitive benefits.

Our approach to labor relations includes the following key elements:

■ Communication Mechanism:

We provide multiple avenues for our employees to speak up about concerns or complaints so they may be addressed appropriately. Some relevant means of communication are our Open Door Policy, through our intranet page on the HR Information System (UKG), the anonymous Global Employee Engagement Survey, the Employee Suggestion Box and our Townhall (including Coffee Talk meetings). Employees may contact a local supervisor, manager or their designated human resources (HR) representative directly.

■ Addressing Social Material Risks:

We proactively address social material risks within each business unit through a structured process. These risks are addressed during social accountability meetings led by our dedicated Social Performance Team. As part of our ongoing efforts, we seek to appoint a worker representative from our workforce to enhance our approach to addressing social material risks.

The agreements established during these meetings encompass various critical aspects, including working benefits such as working hours and remuneration, the prohibition of forced or compulsory labor, health and safety risk management, the prevention of child labor, the elimination of discrimination, and the adherence to fair disciplinary practices.

Hypertec is committed to nurturing a positive work environment that values employees, promotes fair compensation, and encourages open communication. We continually strive to enhance our labor relations practices and address social material risks to ensure the well-being and satisfaction of our workforce.



Better Society

6.3.5. CERTIFICATIONS AND AUDITS

Hypertec’s social accountability management system addresses labor, human rights, and business ethics risks. Hypertec seeks and maintains SA8000 certification, an internationally recognized standard for social accountability. This certification is a testament to our dedication to ethical and socially responsible business practices.



6.4.0 COMMUNITY ENGAGEMENT

We are dedicated to supporting local communities by fostering constant innovation and driving equitable economic growth. We believe in creating collaborative ecosystems that involve various stakeholders in our value chain to collectively address critical environmental, social, and governance risks such as climate change, responsible conflict mineral sourcing, circularity, and sustainable procurement management.

6.4.1. ADVOCACY GROUPS

In our commitment to these principles, we actively participate in advocacy groups and organizations dedicated to sustainable and responsible business practices. Currently, we are proud to be active members of the following advocacy groups:

- Responsible Business Alliance (RBA):**
 An organization focused on responsible and ethical business practices, including labor, environmental, and ethical standards.
- Responsible Mineral Initiative (RMI):**
 RMI ensures responsible sourcing of minerals, particularly those associated with conflict.
- Electronics Product Stewardship Canada (EPSC):**
 EPSC is dedicated to the responsible management of electronic products and waste in Canada.
- Global Electronics Council (GEC):**
 GEC focuses on advancing sustainability in the electronics industry, including developing global environmental standards.
- Electronic Products Recycling Association (EPRA):**
 EPRA manages the responsible collection and recycling of end-of-life electronics.
- Information Technology Industry Council (ITI):**
 ITI is an industry association that promotes sustainable and responsible technology practices.

6.4.2. EMPOWERING COMMUNITIES

In this year’s report, Hypertec is honored to collaborate with La Maisonnee, a non-profit organization committed to supporting newcomers in their settlement and employment endeavors in Quebec. This partnership reflects our dedication to contributing to the well-being and success of newcomers as they embark on their journey in a new land. We are proud to work alongside La Maisonnee in making a positive impact in our community.



Better Society

Hypertec is dedicated to pioneering sustainable digital healthcare solutions prioritizing patient well-being and environmental responsibility.

6.4.3. SUSTAINABLE DIGITAL HEALTHCARE SOLUTIONS

Hypertec, through its Medioh business unit, is at the forefront of developing innovative digital healthcare solutions. We aim to bridge the gap between technology and patient care, enabling healthcare from anywhere.

We recognize the pivotal role technology plays in enhancing people's lives, and we are dedicated to providing optimized solutions that increase the efficiency of healthcare providers, particularly in remote home care.

Our approach involves providing patients with 24/7 access to healthcare experts through connected devices. We offer end-to-end device management and procurement services, encompassing the entire lifecycle of these devices, from delivery to recovery.



100,000

Individuals enrolled with digital healthcare in North America

This approach has several key benefits:

- **Faster Integration:**
Our streamlined processes expedite the integration and packaging of devices, ensuring that more patients gain immediate access to their home care kits. This reduces waiting times and provides a smooth onboarding experience for enrolled patients.
- **Remote Patient Monitoring:**
We believe in the power of remote patient monitoring, which brings technology and patients together to create a site of care wherever the patient is. This approach allows for continuous monitoring and timely interventions when necessary.
- **Device Lifecycle Management:**
Managing the lifecycle of medical devices in remote care programs is a complex endeavor. We leverage capital investment by recovering and reusing appliances once a program ends. These devices undergo thorough processes, including cleaning, refurbishment, and disinfection, before being returned to inventory for use by additional patients. This sustainable approach minimizes the environmental impact associated with device production and electronic waste management.
- **Reducing Waste:**
Our commitment to recovering and reusing devices results in fewer technologies being manufactured and disposed of, reducing the environmental footprint associated with electronic waste. Patients are relieved of the responsibility of device disposal, ensuring that proper, sustainable disposal methods are followed at scale.

- **Strategic Partnerships:**
Leading remote care providers are joining forces with logistics and technology experts to address sustainability challenges. These partnerships aim to build a future of care that is not only efficient but also environmentally responsible. By leveraging the expertise of third-party partners, providers can scale their return on investment while minimizing the footprint their care leaves behind.

Our innovative approach to remote care not only enhances healthcare accessibility but also contributes to a more sustainable and eco-conscious future for all.

medioh



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6.4.5. SUSTAINABLE SUPPLY CHAIN

Hypertec procures various materials from a large number of suppliers in and outside Canada. In order to develop long-term business relationships based on its Procurement Policies, we are working to strengthen sustainability initiatives across our entire value chain while improving measures for proper transactions.

Hypertec has established a procurement code of conduct, policies, and procedures that aim to fulfill its social responsibilities, including compliance with laws and regulations, business ethics, respecting human rights, labor relations, health & safety, as well as protection of the environment, through fair and equitable transactions in our supply chain by strengthening partnerships with suppliers.

Our policies and code of conduct are the following:

Responsible Business Alliance Code of Conduct, Supply Chain Responsibility, and Responsible Sourced Minerals policy.

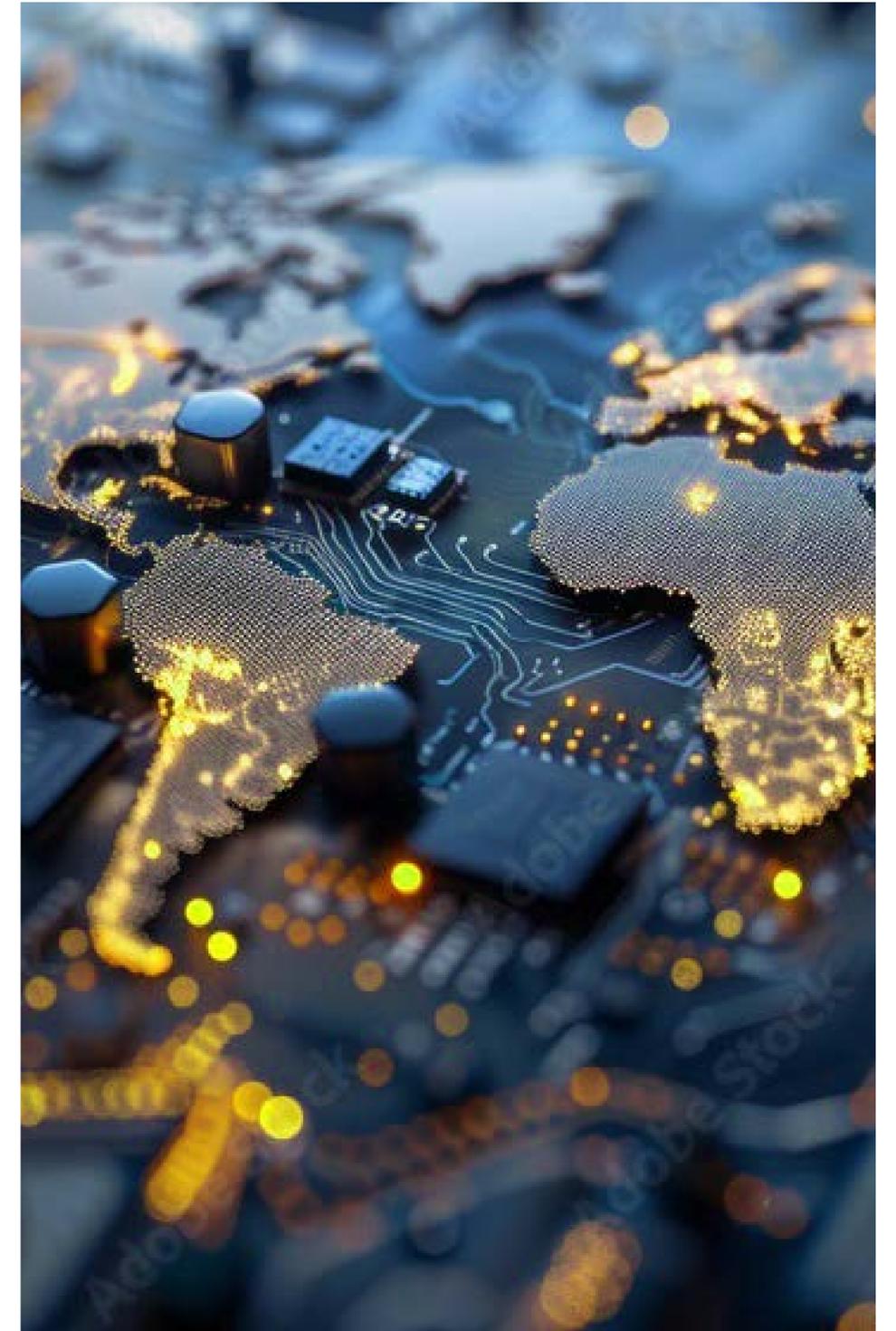
Hypertec is a member of **The Responsible Business Alliance (RBA) Council**. Founded in 2004 by a group of leading electronics companies, the Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC). As RBA members, we commit and hold accountable to a common Code of Conduct and utilize a range of RBA training and assessment tools to support continual improvement in the social, environmental, and ethical responsibility of our supply chain. The fundamental initiatives for RBA is Responsible Mineral Initiative (RMI).

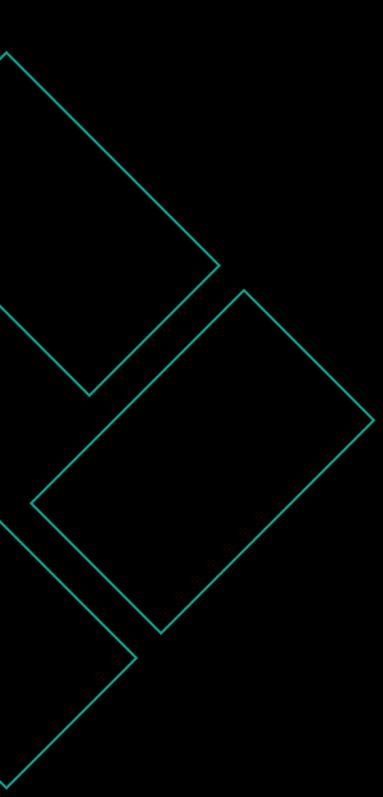
<https://www.responsiblebusiness.org/about/members/>

Emphasis is placed on the identification and assurance of smelters or refiners (SORs) used to process material supplied by mines or mineral agents. This includes an independent, third-party assessment of management systems and sourcing practices to validate conformance with the Responsible Minerals Assurance Process. Given the many supply chain tiers involved and the size of smelting and refining operations, multiple suppliers will likely include some of the same SORs in their reporting. We collaborate with suppliers to develop their own capabilities and help them to remediate issues with SORs that are not participating in any third-party assurance program to achieve conformance or remove them from their supply chains. 95% of our SORs are compliant.

Hypertec has identified its strategic suppliers through a risk assessment supported by SA8000 standard, RBA and ISO 14001 and 50001. Environmental, and social issues influenced the selection where risk of adverse impact on society, ecosystem and profit is more severe.

Additionally, spend and leverage was used to sub-categorized this process. Hypertec is committed in the case of announced and unannounced audits for the purpose of certifying its compliance with the social and environmental requirements supported by the Social Accountability standard (SA8000), Responsible Business Alliance initiative (RBA), and internal policies and code of conduct. Hypertec cooperates with external auditors to evaluate the risks that arise in meeting these requirements.





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Better Planet

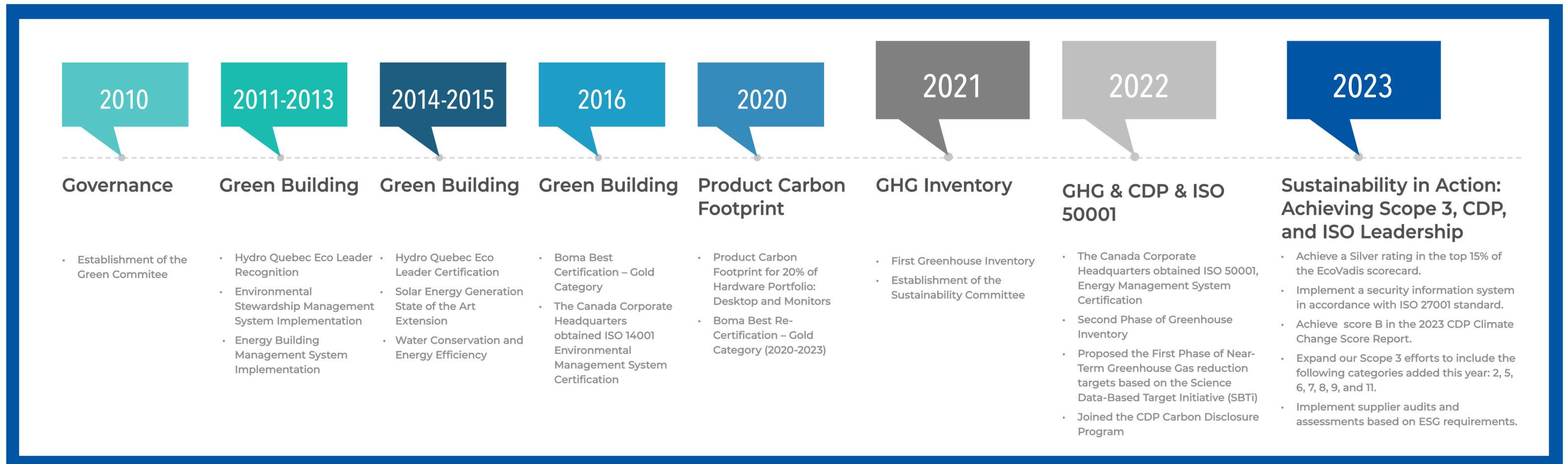
Our commitments



Better Planet

Through a comprehensive understanding of our environmental footprint and a commitment to enhancing our performance in greenhouse emissions, energy conservation, waste management, water conservation, and pollution, especially within our green-certified facility, operations, and business activities—Hypertec demonstrates its dedication to preserving the planet for future generations. Hypertec initiated its sustainability journey in 2010 by establishing an environmental committee dedicated to developing an environmental stewardship management system.

7.0. OUR SUSTAINABILITY ROADMAP IS OUTLINED BELOW:



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7.1. ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEM

Hypertec manages its environmental responsibilities through an integrated Environmental and Energy Management System (EMS and EnMS). These systems span the entirety of the company's business operations, including sustainable product design, development, and manufacturing. Covering distribution and internal repair operations, the EMS and EnMS are implemented across diverse product and service categories, ranging from computers and servers to cloud computing and converged solutions infrastructure services. This approach is extended to activities conducted by our Taiwan subsidiary, the Arizona manufacturing facility, and owned-leased warehouses in North America.

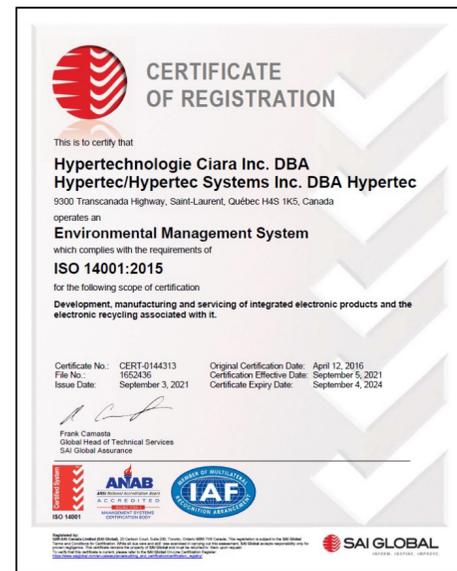
Montreal's headquarters facilities covered by the Company's Environmental and Energy Management System (EMS and EnMS) are certified under ISO 14001:2015 and ISO 50001:2018. The Company has instituted and actively follows an Environmental Affairs and Energy Policy, which can be reviewed at www.hypertec.com (here). Hypertec plans to extend the certification scope to the Arizona manufacturing facility, promoting a cohesive environmental and energy management strategy by 2025.

Under the Environmental Management System (EMS) framework, we conduct an annual assessment of Significant Environmental Aspects (SEAs), which includes energy conservation, greenhouse gas emissions, waste management, water conservation, product end-of-life, responsible materials sourcing, and pollution. This involves identifying and evaluating operational and building aspects that have actual or potential significant impacts on the environment. Within the framework of the Energy Management System (EnMS), we conduct a Significant Energy Aspects (SEnAs) approach to identify and manage aspects of energy management associated with the energy source, energy consumption, energy efficiency, energy leak management, supply & availability, data management, and efficient technology equipment that have a

substantial environmental and climate impact. The methodologies integrate findings from our Enterprise Risk Management (ERM) process. We establish metrics and implement controls for these identified significant environmental sustainability aspects.

Ongoing monitoring and reporting track performance relative to these metrics. Annually, performance targets are established for specific environmental and climate aspects. Factors considered in setting these targets encompass environmental affairs, energy management and regulatory obligations, customer specifications, stakeholder input, environmental and financial consequences, and management directives. During CY 2023, the Company's significant environmental and climate aspects included:

- Product materials – including the use of recycled plastics, regulated substances, and environmentally preferable materials
- Product packaging
- Product energy consumption and emissions
- Product end-of-life management
- Owned-leased site air emissions, specifically greenhouse gas (GHG) emissions
- Owned-leased site energy consumption
- Waste management
- Water management
- Supplier environmental performance



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7.2. ENERGY CONSERVATION

Affordable and clean energy is one of the United Nations' sustainable development goals. For decades, fossil fuels like coal, oil, and gas have played a crucial role in electricity production. However, the combustion of carbon fuels results in the emission of substantial amounts of greenhouse gases.

The consumption of fuel for steam generation not only contributes to climate change but also poses harmful impacts on both people's well-being and the environment.

Improving energy efficiency and expanding our use of renewable sources are the principal components of our sustainable energy strategy. Based on current energy information, decisions can be made on operating our facility and production lines most efficiently and economically. Accurate emissions accounting depends on a comprehensive account of energy. Hypertec has collected the necessary energy data to disclose its emissions for Montreal's headquarters, where the manufacturing facility is located.

Hypertec has identified its energy-related activities as the most significant greenhouse gas emission sources. Hypertec is aware of its role in reducing the impact of our energy conservation. 97% of the electricity for our Montreal headquarters is sourced from hydroelectric power.

In CY 2023, the company acquired a credit of 3474 renewable energy certificates (RECs), which accounted for 11% of our total hydroelectricity consumption.

Improving energy efficiency and expanding our use of renewable resources are the principal components of our sustainable energy strategy.



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Hypertec has reduced its electricity consumption by 18% since 2019 due to its improved energy efficiency in our business activities.

7.3. ENERGY PERFORMANCE

Hypertec's building energy performance stands for all related building services such as heating, cooling, hot water, lighting, ventilation, cleaning, and other related services. Our building consumes three energy sources: electricity, natural gas, and fuel oil. We also generate electricity by using a diesel generator that consumes fuel oils. The consumption calculation of these sources is based on the different systems and facility zones across Montreal's headquarters.

Since 2010, our company has been actively involved in energy efficiency and renewable energy projects. A noteworthy achievement occurred in 2011 and 2014 when we obtained the **Hydro-Quebec EcoLeader** recognition and the first green building certification. Hypertec's Montreal headquarters and manufacturing facility have proudly earned **BOMA BEST® Gold certification**, representing one of the highest standards in Canada for sustainable building.



Over the past years, we have replaced coal with lower-emitting fuels like natural gas. We have installed an external south-facing solar wall for heat recovery, reducing the natural gas consumption used for heating service by 20%..

We have also implemented energy efficiency measures such as:

- Implementation of automated Building Management System Controls
- Carbon Dioxide (CO2) detection and variable drives for Heating, Ventilation, and Air Conditioning (VAC) efficiency depending on occupancy volume
- General Electric (GE) lighting timer system building-wide with motion detectors per zone to improve lighting efficiency, preventive maintenance, and inspections
- Light-emitting diode (LED) conversions in all new and renovated areas
- Electrical coordination and arc flash study
- Thermography performance
- High-efficiency natural gas heaters
- Employee training

Our green building in Montreal's headquarters hosts Ciara Tech manufacturing processes. Our manufacturing and service performance represents our electrical and electronic equipment assembly process and customer and operations services.

The consumption of fuel oil (petrol fuel) of CIARA Tech's three vehicles stands for our operations and customer services. Our production lines have improved energy efficiency by implementing a preventive maintenance management program and lean manufacturing.

Hypertec's energy disclosure provides transparency on the consumption and generation of energy in our organization. The information provided in this report accounts for the structured performance and was verified by a third party. It represents the current profile of the energy performance and improvement of our headquarters in Montreal.



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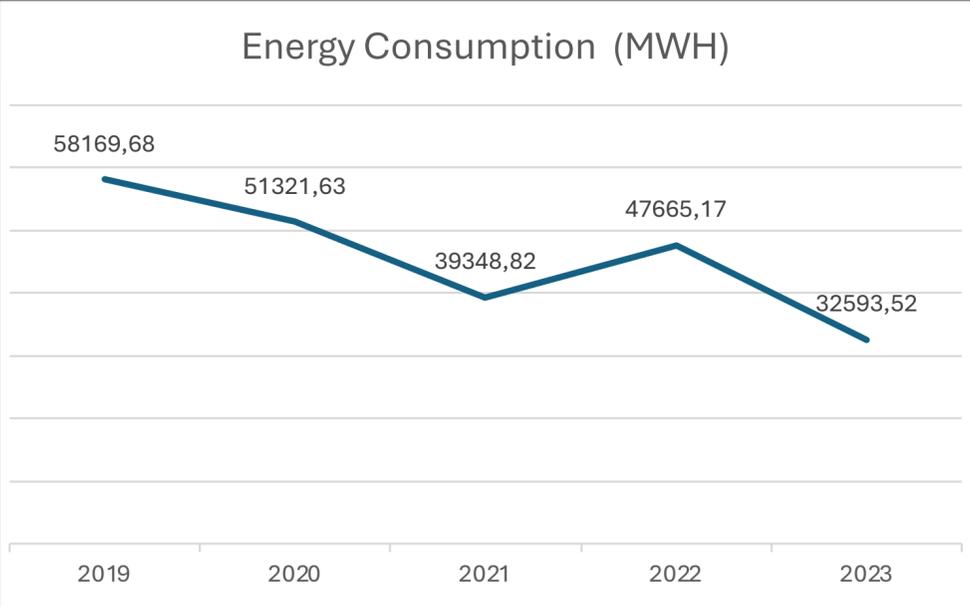
Over the years, Hypertec has undergone expansion and consolidation of its businesses and operations, paralleled by a steadfast commitment to minimizing its environmental footprint. In conjunction with the company’s environmental initiatives launched in 2010, the Sustainability Committee established a baseline in 2019.

This baseline is a pivotal reference point, providing reliable and comprehensive data that reflects the progression along our transformative journey in energy conservation and reducing greenhouse gas emissions.

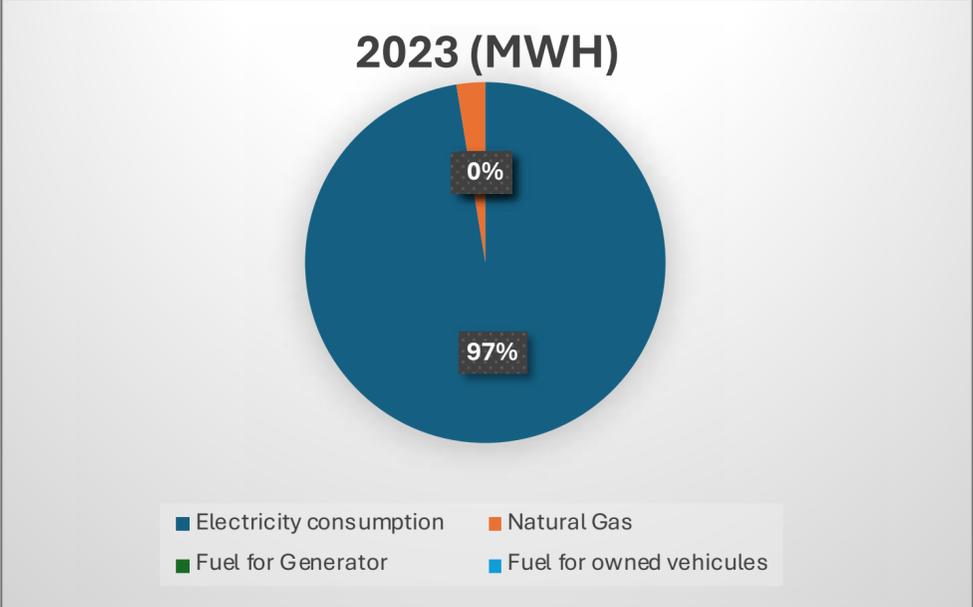
According to our energy performance, the sources of energy, which are electricity, natural gas, and fuel oil, are represented in the graphic below. Section 4. Master of Consolidated Metrics outlines the energy consumption in MWh since 2019.

We also present the intensity figure based on the square meter occupied by Montreal’s headquarters.

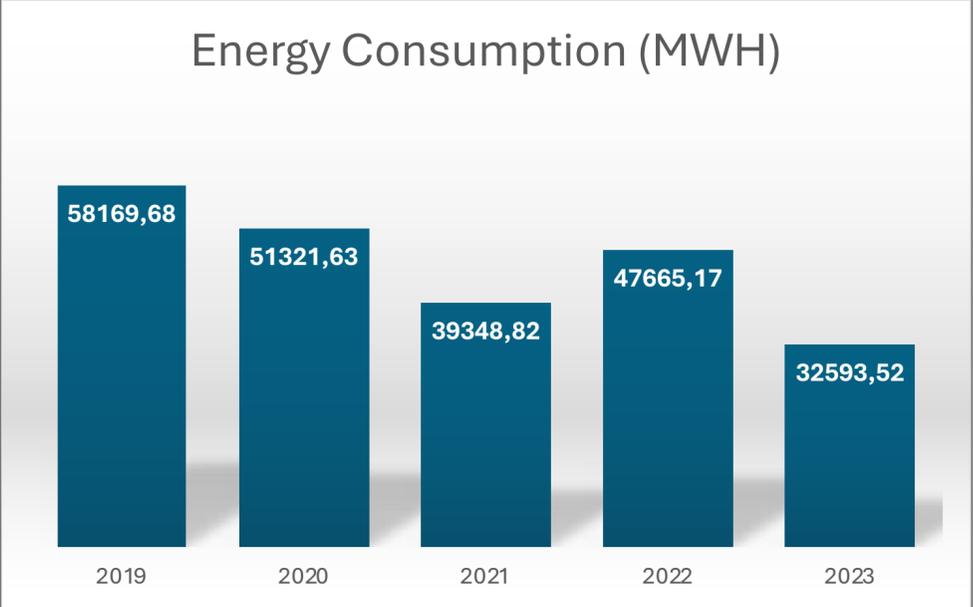
ENERGY CONSUMPTION (MWh)



ENERGY SOURCES



ENERGY CONSUMPTION (MWh)



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7.4. CLIMATE CHANGE

Climate change is the greatest existential threat of our time; its impacts are felt in countries worldwide and will impact our business. Climate change poses significant risks for human and natural systems by causing and intensifying extreme weather events and losing biological systems.

The 2016 Paris Agreement, a key global initiative, is a legally binding international treaty on climate change that sets out a framework to limit global warming to 1.5°C above pre-industrial levels. Adopted by 190 countries, the Paris Agreement also calls for business leaders to change their operations, and Hypertec is committed to that.

Hypertec's climate-related strategy is to develop sustainable electrical and electronic equipment (EEE) from materials manufactured predominantly with renewable energy and recyclable at end-of-life. A relevant portion of our product portfolio is made from at least 15% post-consumer recycled materials (PCR), 10% ITE-derived post-consumer recycled plastic, end-of-life management design for repair, reuse, and recycling, well-hazardous substance management, product longevity, and lower carbon footprint usage.

In recognition of the severe impact of climate change on our planet, Hypertec is not only committed to setting significant targets for reducing greenhouse gas emissions but also to implementing initiatives

that go beyond traditional environmental activities. By collaborating efficiently with suppliers and logistics partners and aiding them in identifying energy efficiency improvements, we aim to contribute positively to both the climate and their bottom lines.

Climate change considerations, including emissions associated with the company's hardware product business, may also create reputational risk, and challenges its ability to maintain market share for low-carbon footprint products if consumers seek ecological alternatives.



In this reporting year, 2023, we integrated sustainability goals into our business continuity plan to address climate-related risks and opportunities identified through a thorough assessment. We disclosed our climate-related risk assessment through the Carbon Disclosure Program (CDP) for 2022, submitted in 2023, emphasizing transparency.



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7.5. GHG EMISSIONS

Reporting emissions is best practice and a prerequisite to understanding and reducing negative environmental impacts. We seek mechanisms to improve energy efficiency and minimize energy consumption and greenhouse gas emissions.

We established greenhouse gas (GHG) data for our operational processes based on Scope 1 and Scope 2. Energy consumption, and all relevant Scopes 1 and 2 greenhouse gas emissions are tracked and documented.

For GHG emissions, Scopes 1, 2, and 3 were considered. The scope of calculation is based on operational control.

For Scope 1, CO₂, CH₄, and N₂O were considered, and for Scopes 2 and 3, CO₂ was considered in section 4. Master of Consolidated Metrics outlines the GHG emissions.

We compiled our Greenhouse Gas Inventory following the Greenhouse Protocol and ISO- 14064-1. Hypertec considered three scopes in evaluating our GHG emissions, which are outlined here:

SCOPE 1

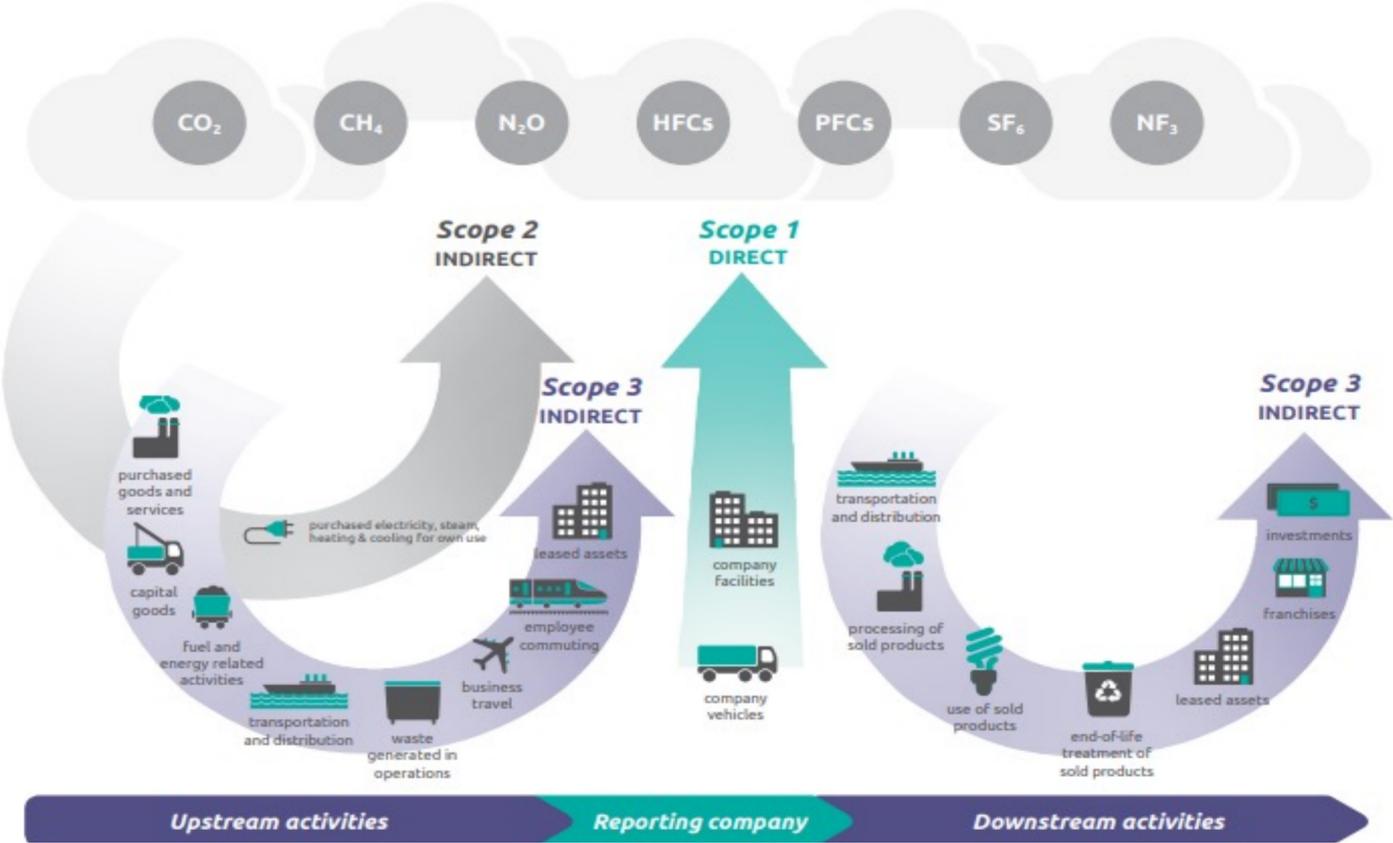
Direct GHG emissions from those sources owned by Ciara Tech. This includes the on-site combustion of natural gas for heating, emissions from the diesel electricity generator, and emissions from Ciara Tech's fuel-petrol vehicles used in operations and customer services.

SCOPE 2

Electricity indirect GHG emissions are the emissions resulting from the purchased electricity by Ciara Tech from Hydro-Québec. The source of these emissions is at the site from which the electricity is produced. Our scope two is location-based (metric tons CO₂e).

SCOPE 3

Indirect GHG emissions include all other indirect emissions in a company's value chain. The categories in Scope 3 are intended to provide the company with a systematic framework to measure, manage, and reduce emissions across a corporate value chain.



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7.6. EMISSIONS REDUCTION TARGETS

The company establishes emissions reduction targets for Scopes 1 and 2, aligned with the Science Based Targets Initiative. We have committed to seeking validation of this target by the Science-Based Targets initiative in the next two years. The objective is to reduce our Scopes 1 & 2 (absolute) greenhouse gas emissions by 50% by 2028 with a year baseline of 2019, regarding our Scope 3 emissions intensity (per ton of square feet), where the company plans to work thoroughly with its supply chain to achieve an intensity reduction target. Establishing our carbon inventory and developing a carbon management strategy reveals which areas to focus on to minimize risks and explore opportunities to reduce our environmental footprint. In CY2022, the percentage of target achieved by the company was a 50% reduction.

In CY2022, Hypertec started working on Scope 3 and implemented relevant initiatives to support this process. Some of these initiatives are related to capacity building with our suppliers and the carbon footprint of our certified EPEAT products.

In 2023, we expanded our scope of work by adding seven categories related to Scope 3 emissions. Our goal is to engage our suppliers in reducing greenhouse gas emissions across our supply chain.

The Company's mitigation strategies include the innovative low-carbon servers and its expansion into the growing assembly green facility, and its ambitious, voluntary emission reduction strategy will allow the company to be carbon neutral by 2050, aligned with the Net Zero commitment.

7.7. SUSTAINABLE PRODUCTS

At Hypertec, we conduct the life cycle impact assessment of Ciara Tech's devices as it is designed to evaluate the environmental impact of desktops, workstations, and other products based on a variety of potential impact aspects, including materials selection, design for end-of-life, project longevity, energy conservation, packaging, and carbon footprint. We are increasingly considering the impact of scope 3, which regroups all the emissions not linked to our operations. Some of the programs and certifications that support this process are EPEAT and ENERGY STAR.

EPEAT is the leading global ecolabel for the IT sector. The EPEAT program provides independent verification of manufacturers' claims, and the EPEAT online Registry lists sustainable products from a broader range of manufacturers than any comparable ecolabel. National governments, including the United States, and thousands of private and public institutional purchasers worldwide use EPEAT in their sustainable procurement decisions.

The Green Electronics Council (GEC) manages this flagship program, including ensuring the integrity of the EPEAT system. EPEAT is one example of how GEC supports institutional purchasers worldwide, fostering a market for sustainable IT products to achieve our mission of a world of only sustainable IT. Hypertec is certified silver for our desktops.

The ENERGY STAR rating system is widely known worldwide and has become a standard in many procurement tools. It establishes a high standard for what constitutes an energy-efficient product in various areas, including computers, for which Ciara Tech's products are mostly qualified. For more information, visit Ciara Tech's ENERGY STAR Certified Computers. <https://ciaratech.com/epeat/>

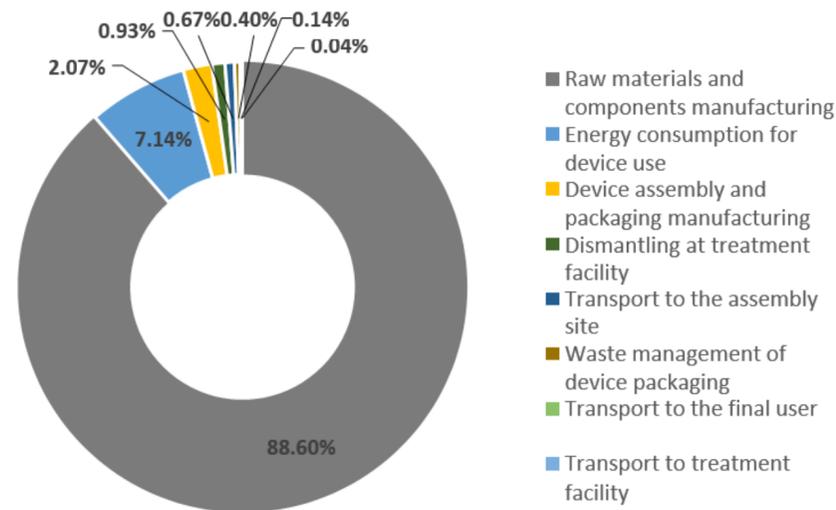
CIARA Tech also discloses the information related to the carbon footprint of each life cycle stage of its products. For instance, our Kronos 540 carbon footprint is outlined in the chart below:

Process	Contribution	Amount	Unit
Total Lifecycle - KRONOS 540	100.00%	470.27	kg CO2 eq
Raw materials and components manufacturing - KRONOS 540	88.60%	416.65	kg CO2 eq
Energy consumption for device use - KRONOS 540	7.14%	33.58	kg CO2 eq
Device assembly and packaging manufacturing - KRONOS 540	2.07%	9.72	kg CO2 eq
Dismantling at treatment facility - KRONOS 540	0.93%	4.39	kg CO2 eq
Transport to the assembly site - KRONOS 540	0.67%	3.16	kg CO2 eq
Waste management of device packaging - KRONOS 540	0.40%	1.90	kg CO2 eq
Transport to the final user - KRONOS 540	0.14%	0.66	kg CO2 eq
Transport to treatment facility - KRONOS 540	0.04%	0.21	kg CO2 eq

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7.7. SUSTAINABLE PRODUCTS

Since 2021, Hypertec has partnered with Submer, a leading innovator in advanced immersion cooling solutions for data centers and cloud and edge computing. With this partnership, Hypertec will add Submer's vast range of liquid cooling and edge-ready solutions to our extensive portfolio and foster an innovative organizational culture.



By investing in an immersion cooling solution, our clients reduce their carbon footprint by consuming less energy. With the new TIRDENT server line, purposely optimized for a more sustainable liquid cooling solution, clients can harness more computing power than ever before while increasing their efficiency and lowering their CAPEX and OPEX by up to 50%.

Purpose-built for single-phase liquid immersion and with sustainability in mind, our CIARA TRIDENT immersion servers offer unprecedented ultra-high-density computing performance with up to 288 CPUs per 48U (144 nodes/18,432 cores).

They are engineered to accommodate next-generation CPU, GPU, and FPGA cards and boast the following features:

- Custom heatsink for optimal/highest CPU TDP
- BIOS optimization for Intel® turbo-lock usage
- Customizable for all types of workloads
- Reduced component failure rate
- Increased hardware lifespan; Hardware lifespans typically improve by 30%
- Low cost
- High energy efficiency
- Increased server density
- High scalability

Our clients and us benefit from a significant carbon footprint advantage, achieving a reduction in energy consumption ranging from 50% to 70% (adding heat recuperation), a remarkable 99% decrease in water usage, and an 85% reduction in space requirements.

For more details, please visit the following references.

<https://hypertec.com/blog/sustainable-emerging-tech-liquid-immersion-cooling/>

<https://hypertec.com/blog/immersion-cooling-for-data-centre-the-sustainable-way/>

<https://www.linkedin.com/company/hypertec/mycompany/verification/>

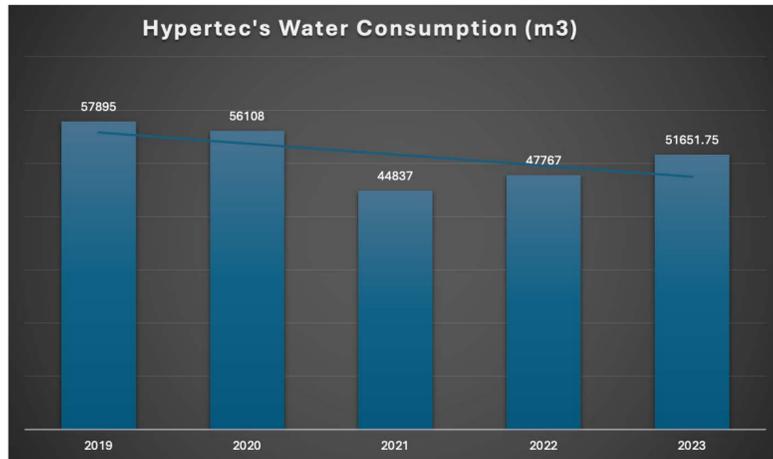
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7.8. WATER CONSERVATION

Water covers 70% of our planet, but only 3% is fresh. Water scarcity represents one of the significant challenges for humanity in the coming years. By 2025, two-thirds of the world's population may face water shortages. Hypertec is aware of its role as an active actor in water management. Between 2019 and 2023, we reduced our consumption by 11% through the following initiatives:

- Automatic controlled flush valves for the toilettes/urinals.
- Automatic faucet valves for the sinks (no excessive running water).
- New water entry valve from the city.
- New water meter at entry valve from the city for more precise monitoring.
- High-efficiency gas water boiler for the kitchens.

The implementation of ISO 14001 supports the improvement in water management. Hypertec is certified with ISO 14001. We are committed to measuring its water consumption. The following data is presented for calendar years 2019 to 2023.

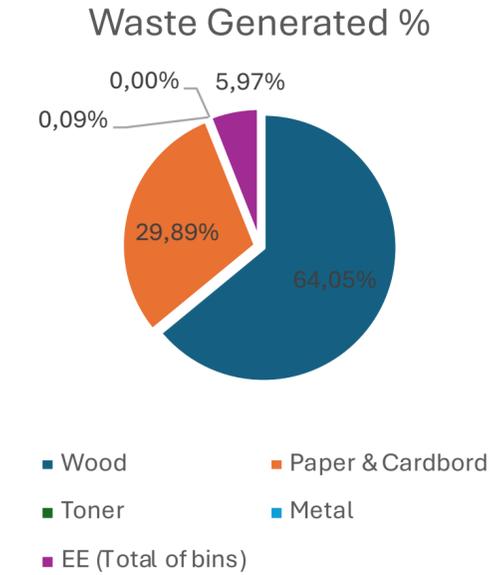


7.9. WASTE MANAGEMENT

We implement measures to reduce hazardous and non-hazardous waste in our activities (e.g., processing, procurement of materials, products or service design, production, and distribution) and our subsequent consumption.

Chemicals, e-waste, and other materials posing a hazard to humans, or the environment are identified, labeled, and managed to ensure their safe handling, movement storage, use, recycling or reuse, and disposal.

Most of the e-waste is represented by downstream items, around 99%. The remaining 1% comes from upstream items such as purchased parts and components. We include circularity measures to prevent waste generation and to manage significant impacts from waste generated.



Waste Composition

Waste Composition	Type of Waste	Waste Generated	Waste Generated (Ton)	%
Paper (Kg)	Non-Hazardous Material	16661	16.66	30
Wood (TM)	Non-Hazardous Material	35700	35.7	64
Toner (Nb)	Non-Hazardous Material	61	--	---
Metal (Kg) (steel, aluminum)	Non-Hazardous Material		2.71	0.0136
E-waste (lb) (Contain mercury)	Non-Hazardous Material	7,347.85	3.33	6
Total Waste			55.69	100

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7.10. RESPONSIBLE SOURCING

Minerals are used in our products. Hypertec is committed to the responsible sourcing of minerals, and its suppliers must conduct their business according to the CIARA Responsible Business Alliance (RBA) Supplier Code of Conduct. We do not directly procure conflict minerals such as 3TG (tantalum, tin, tungsten, gold), cobalt, mica, lithium, copper, nickel, and rare earth elements, which are commonly used in resistors, inductors, CPUs, hard disks, memory, motherboards, and connectors. Hypertec has implemented a thorough process in its supply chain, as outlined in section 5. Governance, under Code of Business Conduct.

Hypertec is aware of its responsibility to reduce the chemicals in its products. We ensure that our suppliers' products are identified, evaluated, and monitored according to the EU RoHS Directive and REACH regulations. Hypertec has implemented a thorough process in its supply chain.

By recognizing the importance of environmental protection and hazardous substance use, Hypertec wants to guarantee its customers that the technical documentation compiled for all its products, coming from Hypertec and its suppliers, is controlled and meets the applicable substance restrictions.

Hypertec ensures the information collected from suppliers is effectively correlated with the materials, parts, and subassemblies of the product. The restrictions identified in the EU RoHS Directive with regards to substances in product's materials, components, and subassemblies are respected. Suppliers, materials, features, and subassemblies are evaluated for risk and the risk factors assigned. The documents from suppliers are periodically updated based on the level of risk assigned to the supplier, materials, parts, and subassemblies. Hypertec ensures that suppliers issue a material test report or declaration of conformity document to support the evidence related to hazardous materials.

Suppliers' declarations should conform to the restricted substance content of the specified materials, parts, or subassemblies and should be within the permitted levels and exemptions that have been applied. Hypertec evaluates the source and content of each document received to determine whether the materials, parts, or subassemblies meet the specified substance restrictions. This evaluation enables Hypertec's team to decide whether the documents provided are sufficient evidence of compliance to justify their inclusion in the technical documentation. If a particular document is considered of adequate quality and trustworthiness, it is included in the technical documentation.

We communicate specific procedures to our suppliers about the chemicals and substance inventory conformance assurance.

Hypertec also validates the accuracy and specifies the maximum levels for the following restricted substances in its products, subassemblies, parts, or materials:

- Cadmium (Cd)
- Lead (Pb)
- Mercury (Hg)
- Hexavalent Chromium
- Polybrominated Biphenyls (PBB)
- Polybrominated Diphenyl Ethers (PBDE)
- Bis(2-Ethylhexyl) phthalates (DEHP)
- Benzyl butyl phthalate (BBP)
- Dibutyl phthalate (DBP)
- Diisobutyl phthalate (DIBP)
- Dimethyl fumarate (DMF)
- Toluene Adhesives or spray paints
- Beryllium
- Plastic parts above 25 grams shall not contain greater than 1000 ppm chlorine or greater than 1000 ppm bromine at the homogenous level

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7.10. RESPONSIBLE SOURCING

We implement the current conformance assurance procedure and ask our suppliers to provide the supporting documents conforming to the latest requirements. Hypertec, throughout the implementation of existing conditions, avoids or eliminates the substances identified in the EU REACH Annex XIV based on the EU Regulation (EC) No 1907/2006, REACH Annex XIV, authorization list. Hypertec also ensures that no articles in the product contain more than 0.1% weight by weight (w/w) of applicable substances included in EU REACH Annex XIV and IEC 62474. All the applicable substances are those substances that are retained on the IEC 62474 declarable substance list, the EU REACH Annex XIV Authorization List, and the EU REACH Candidate List of SVHC.

Hypertec ensures the products do not contain the applicable substances included in the EU REACH Candidate List of Substances of Very High Concern (SVHC) above the 0.1% weight by weight (w/w) of functional substances in all articles, excluding uses and levels allowable under the EU RoHS Directive and its amendments.

All suppliers' supporting documents and the declared substances are reviewed and compared to the latest revision of the EU REACH candidate list of SVHC and REACH Annex XIV according to the date of issuance of the declarations or statements. Hypertec consolidates

the received information from the suppliers and after their verification, provides the final order to support the final assembled product.

In addition to the chemical components of our products, the manufacturing process involves chemicals and materials that can cause human and environmental health hazards.

To reduce these hazards and promote safe working environments for our suppliers and team members, we maintain and provide a regularly updated and complete list of restricted substances along with clear guidance on suitable alternatives.

7.11. PRODUCT END-OF-LIFE

The linear economy led to growth and prosperity in many parts of the world. It is, however, also one of the reasons for current sustainability problems because the classic model implies using resources in an unsustainable way and producing large quantities of waste that destroy the environment. It creates a paradox where both 'resource scarcity' and 'resource waste' pose threats to our economic and environmental systems. Among them, the characteristic of rapid replacement of electronic products has made the problem even more severe. The circular design embraces innovative thinking on sustainability at every stage of a product's lifecycle – from initial concept to use and eventual recycling.

See how we create products that help you do more while minimizing impact. A central part of our circular design approach is considering sustainability at every stage of a product's lifecycle – from the initial concept to its use and eventual recycling. We aim to achieve zero waste by ensuring that every part of our products can be reused or recycled, and we're making significant strides towards it.

Hypertec believes that companies should transform into a more circular model. It could help prevent the risk of resource scarcity and price fluctuation and leave a sustainable future for the next generation.

To achieve its sustainable development goal, Hypertec embraces environmentally friendly practices by redesigning materials, products, manufacturing processes, and business models. This transformation aims to extend the product life cycle from 'cradle to grave' to 'cradle to cradle,' enhancing resource efficiency and fostering a sustainable business model.

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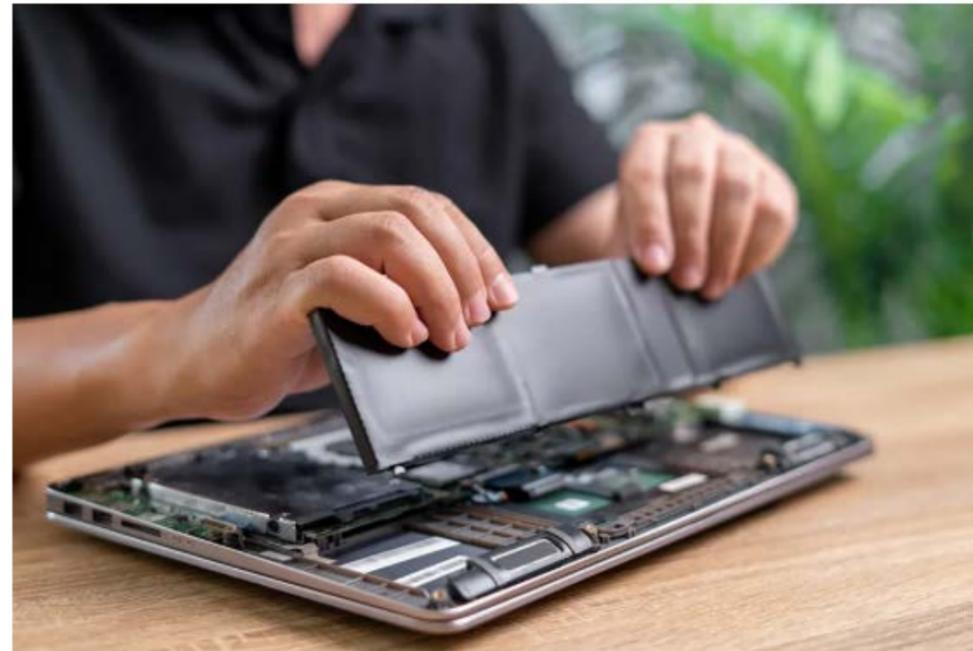
Hypertec has been developing some programs to support its circularity initiatives, such as a take-back program, e-waste management, asset recovery program, design for reuse and recycling program, and an ocean-based program to leverage ITE-derived PCR plastics initiatives.

7.11. PRODUCT END-OF-LIFE

Take-back program and asset recovery

For our take-back program, we ensure the recycling process of all the electronic and electric products purchased by Hypertec customers internationally is well maintained. The customer is informed of this program during the contract review or through our public disclosures and website content. Repair is essential to keep products in use longer and out of landfills. We have long supported customers' choice to repair their device or seek another convenient repair option. Continuing to engage in the growing conversation around repair is important. We see opportunities to evolve, such as providing additional routes to make repair more accessible and affordable. Hypertec's comprehensive recycling program accepts rechargeable batteries and outdated IT hardware for recycling and disposal. We work with multiple collection recycling associations to ensure that all salvageable components and metals are reused and recycled to continue advancing green initiatives.

<https://hypertec.com/sustainability/>



E-waste management

We continually demonstrate our commitment to environmental sustainability by complying with voluntary and mandatory programs, working with qualified recyclers, and processing vendors, and adhering to the requirements of our Integrated Management System and social responsibility policies. Our products conform to the guidelines incorporated into the IEEE 1680.1 optional criteria. To accomplish sustainability goals, we are committed to working with qualified recyclers and processing vendors certified in e-Stewards or R2 requirements, along with any of the following: ISO9001, ISO14001, ISO45001, and ISO50001. By managing e-waste and used electronic equipment, we can ensure that assets are safely, ethically, and responsibly recycled and processed by qualified vendors. We conduct periodic audits of these vendors to ensure they use environmentally responsible processing techniques and fully comply with relevant legislation. We also ensure that traceability for all components is maintained from our shipping facility to the recycling and processing vendors and then on to their ultimate disposition. All data-bearing devices are destroyed per customers' requirements and relevant legislation.

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7.11. PRODUCT END-OF-LIFE

Design for reuse and recycling

Hypertec drives innovation by exploring making components more accessible, replaceable, and reusable to reduce resource use and keep circular materials in the economy. This ambitious workstream is experimenting, proving, and assessing sustainable design ideas to help identify those with the most significant potential to scale across our portfolio.

We make available information to reuse and recycling facilities via a central information source (i.e., Hypertec website), such as information indicating the method of attachment to the product, describing how to remove from the product, listing the tools required for removal, and, if they are not commonly available, how to obtain them. Our plastic parts are compatible with recycling by making them separately for recycling. We also work on facilitating the process of repairability and recyclability with easy removal of external enclosures and spare parts.

Ocean-based and ITE-derived PCR plastics

As recycling technologies evolve, the ability to recycle various plastics is becoming a widely practical circular economy initiative. Ensuring ocean health is no longer a matter of choice but an urgent priority.

By converting plastics into industrial materials and integrating recycled plastics into the mainstream, potentially harmful plastic debris can be transformed into a second-life solution. Hypertec is integrating ocean-based plastic to reduce its impact on the environment. Our focus is on increasing the ITE-derived post-consumer plastics, which are post-consumer plastics obtained from IT plastic waste.

<https://hypertec.com/sustainability/>

<https://ciaratech.com/epeat/>



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8.0. CONSERVATION AND BIODIVERSITY

Bees on our roof

At Hypertec, we take into consideration the importance of biodiversity. Hypertec is hosting two exponentially growing hives with over 67,500 bees. The project brings bees closer to the employees and makes them aware of untapped floral diversity and largely unused rooftop space. All honey-based products derived from our hives are given back to our employees.



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9.0. CONSOLIDATED METRICS

Topic/Issue	Metric/Unit	2022 Performance	2023 Performance
Better Society			
Employee Turnover Rate (ETR)	(%)	42	28
Employee Satisfaction/Employee Engagement Rate	(%)	7.7	N/A
Percentage of employees covered by more than minimum salary	(%)	100	100
Percentage of promoted employees- Canadian workforce	(%)	12	8
Percentage of promoted employees- US workforce	(%)	9	19
Average number of training hours per employee	(number)	9	19
Number of employees trained	(number)	543	646
Percentage of employees training in Occupational Health & Safety	(%)	N/A	79
Percentage of employees training on Anti-harassment and discrimination	(%)	74	88
Percentage of purchaser training on Sustainable Procurement	(%)	N/A	50
Percentage of employee training on SA8000 Management System	(%)	N/A	81
Number of child labor-forced incidents report	(number)	0	0
Number of complaints related to forced or compulsory labor	(number)	0	0
Number of complaints related to non-respect of disciplinary practices	(number)	0	0
Number of complaints related to working hours	(number)	0	0
Number of whistleblower cases of discrimination or harassment incidents	(number)	0	0
Percentage of Asian Employees – Canadian workforce	(%)	N/A	N/A
Percentage of Black Employees – Canadian workforce	(%)	N/A	N/A
Percentage of Hispanic Employees – Canadian workforce	(%)	N/A	N/A
Percentage of Additional Group Employees – Canadian workforce	(%)	N/A	N/A
Percentage of Female Representation – Canadian workforce	(%)	35	33
Percentage of Male Representation – Canadian workforce	(%)	64	64

Topic/Issue	Metric/Unit	2022 Performance	2023 Performance
Percentage of employees who decline to answer gender-Canadian workforce	(%)	1%	2
Percentage of Female Representation of Management Position – Canadian workforce	(%)	33	68
Percentage of Male Representation of Management Position - Canadian workforce	(%)	67	32
Percentage of Asian Employees – US workforce	(%)	4	5
Percentage of Black Employees – US workforce	(%)	10	19
Percentage of Hispanic Employees – US workforce	(%)	25	22
Percentage of Additional Group Employees – US workforce	(%)	24	12
Percentage of White Employees – US workforce	(%)	37	42
Percentage of Female Representation – US workforce	(%)	64	47
Percentage of Male Representation – US workforce	(%)	36	53
Percentage of Female Representation of Management Position – US workforce	(%)	42	38
Percentage of Male Representation of Management Position - US workforce	(%)	58	63
Percentage of Female Representation – Whole Organization	(%)	40	36
Percentage of Male Representation – Whole Organization	(%)	59	62
Lost Time Injury Frequency Rate (LTI)	(%)	1.78	2.43
Lost Time Severity Frequency Rate (LTS)	(%)	31.78	71.70
Total Recordable Incident Rate (TRIR)	(%)	2.03	2.67
Number of Employee Fatalities	(%)	N/A	N/A
Number of Contractor Fatalities	(%)	N/A	N/A
Individuals Enrolled with Digital Healthcare at Medioh	(Number)	N/A	100,000
Percentage of SOR suppliers in compliance	(%)	0	95
Percentage of suppliers who have signed the code of conduct	(%)	0	10
Percentage of targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements	(%)	20	50

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9.0. CONSOLIDATED METRICS

Topic/Issue	Metric/Unit	2023 Performance	2022 Performance	2021 Performance	2020 Performance	2019 Performance
Better planet						
Purchased Electricity	MWh	31,163	46,390	42,390	50,190	56,670
Natural Gas	m ³	98,470	98,750	93,838	108,056	142,464
Fuel Oil	MWh	394.10	257.98	99.89	111.68	0.243
Total Energy Consumption	MWh	32,593	47,648	43,451	51,926	57,926
Gross Global Scope 1	t CO ₂ -e	258.22	255.02	208.76	237.48	345.20
Gross Global Scope 2	t CO ₂ -e	15.58	23.20	21.20	25.10	28.20
Total Scope 1 and 2 Intensity Metric	t CO ₂ -e / sq.ft	1.93E-04	4.6E-03	3.8E-03	4.3E-03	6.2E-03
Scope 3 – Category 1	t CO ₂ -e	524,850.41	195,830.45	140,745.32	-	-
Scope 3 – Category 2	t CO ₂ -e	2,762.88	-	-	-	-
Scope 3 – Category 3	t CO ₂ -e	-	23,241.23	21,231.69	-	-
Scope 3 – Category 4	t CO ₂ -e	102.14	753.64	542.19	-	-
Scope 3 – Category 5	t CO ₂ -e	5.47	-	-	-	-
Scope 3 – Category 6	t CO ₂ -e	70.80	-	-	-	-
Scope 3 – Category 7	t CO ₂ -e	59.22	-	-	-	-
Scope 3 – Category 8	t CO ₂ -e	1,883.65	-	-	-	-
Scope 3 – Category 9	t CO ₂ -e	3,538.27	-	-	-	-
Scope 3 – Category 11	t CO ₂ -e	51,615.42	-	-	-	-
Scope 3 Intensity Metric	t CO ₂ -e / sq.ft	4.13E-01 ¹	1.59E-01	1.14E-01	-	-
Number of Renewable Energy Certificates (REC)	(Number)	3474	6415	-	-	-
Water consumption	m ³	51,651	47,767	44,837	56,108	57,895
Paper (Non-hazardous)	Kg	16661	294.10	-	-	-
Wood (Non-hazardous)	Tons	35.7	19,970	-	-	-
Toner (Non-hazardous)	Units	61	58.00	-	-	-
Metal (Non-hazardous)	Kg	-	2,710.00	-	-	-
E-waste (Non-hazardous)	Lb.	7,347.85	31,195.37	-	-	-
Number of EPEAT products certified	(Number)	70	2	5	-	-
Number of products under Carbon Footprint	(Number)	12	20	16	-	-

¹This increase is due to the expansion of our scope of work, adding seven categories and including all products from the group.

(-) Data unavailable.



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10.0. HYPERTEC GROUP'S SUSTAINABILITY GOALS SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

Identified Critical Risks	Objectives & Methodology	Time Horizon	Stakeholders Impacted	Related U.N. Sustainable Development Goal
ENVIRONMENTAL				
Energy Conservation	Reduction of Site Energy Consumption <ul style="list-style-type: none"> Energy consumption reduction (ISO 50001 certified locations) Energy Efficiency Projects Green Building Implementation Green Manufacturing Implementation 	Medium-Term	Employees Communities Suppliers Shareholders Customers	
Climate Change & Decarbonization	Reduce carbon footprint across Scope 1, 2, and 3 aligned with the SBTi <ul style="list-style-type: none"> We attribute the changes to energy efficiency improvement, increased renewable energy generation (solar energy), renewable energy sources, and investment in electric vehicles Technological Innovation in manufacturing by immersion cooling system for a data server Improve the energy efficiency of desktops and monitors of the total portfolio Implement a Supply Chain Engagement initiative to reduce our Scope 3 Climate Change Management and reporting 	Long-Term	Employees Communities Suppliers Shareholders Customers	
Product end-of-life and waste management	Reduction of Site Energy Consumption <ul style="list-style-type: none"> Energy consumption reduction (ISO 50001 certified locations) Energy Efficiency Projects Green Building Implementation Green Manufacturing Implementation 	Medium-Term Long-Term	Employees Communities Suppliers Shareholders Customers	
Raw Material Sourcing	Increase the number of eco-label products that integrate sustainable materials and minimize waste through innovative products and packaging design <ul style="list-style-type: none"> Increase the usage of recycled material Responsible sourcing materials by acquiring post-consumer recycled plastics, PCR & ITE-post consumer recycled plastic Products Packaging with less single-use plastics and reduction in size/volume Substance Management (Free PVC and BFR) Transition to smaller and lighter technology decreased the volume of product material used 	Medium-Term Long-Term	Employees Communities Suppliers Shareholders	

Better Planet

10.1. HYPERTEC GROUP'S SUSTAINABILITY GOALS SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

Identified Critical Risks	Objectives & Methodology	Time Horizon	Stakeholders Impacted	Related U.N. Sustainable Development Goal
GOVERNANCE				
Corruption & Bribery Anti-Competitive Practices Sustainable Procurement Responsible Conflict Mineral Sourcing Child & Forced Labor	Reduce carbon footprint across Scope 1, 2, and 3 aligned with the SBTi <ul style="list-style-type: none"> We attribute the changes to energy efficiency improvement, increased renewable energy generation (solar energy), renewable energy sources, and investment in electric vehicles Technological Innovation in manufacturing by immersion cooling system for a data server Improve the energy efficiency of desktops and monitors of the total portfolio Implement a Supply Chain Engagement initiative to reduce our Scope 3 Climate Change Management and reporting 	Short-Term Medium-Term Long-Term	Employees Communities Suppliers Shareholders Customers	 
Internal Responsible System (IRS) Goals & Strategies Materiality	Hypertec Group is focused on building a long-term, sustainable business that reflects its vision of transformative technology for all. The company is focused on integrating ESG priorities into the day-to-day operations. <ul style="list-style-type: none"> Implementing an ESG and Sustainability Management System supported by ISO and Social Accountability third-party certifications 	Short-Term Medium-Term Long-Term	Employees Communities Suppliers Shareholders Customers	  
Data Security	The company commits to continuously improving its privacy programs. <ul style="list-style-type: none"> The company can improve the management and accountability of privacy impact assessments and pre-launch privacy compliance reviews The company can enhance existing training materials and continue to deliver privacy-focused training programs to Hypertec Group's employees 	Long-Term	Employees Communities Suppliers Shareholders Customers	 
SOCIAL				
Employment Labor Relations Career Advancement Occupational Health & Safety	<ul style="list-style-type: none"> Workforce development, education, and training Diversity, Equity, and Inclusion (DEI) Human capital management and employee. Development Community engagement Employees receive a wage that ensures a decent standard of living 	Medium-Term	Employees Shareholders	     

Appendix

11.1. GLOBAL REPORTING INITIATIVE INDEX

GRI 302: ENERGY

GRI	Description	Disclosed Information	Link
103-1.2 and 3	Material and Boundary Explanation of Energy: The Management Approach	Integrated Management Systems Policy ISO 14001 Certificate ISO 50001 certificate CDP score Boma Best Certificate Gold Supply Chain Responsibility Energy Management Policy & Climate Change Policy Bulk Packaging Policy for PC Systems	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
302-1	Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used	Table of annual consumptions	
302-2	Energy consumption outside of the organization, in joules or multiples	This metric does not apply to Hypertec Group's activities and energy consumption scope	N/A
302-3	Energy intensity ratio for the organization	Table of emissions and consumption	
302-4	Number of reductions in energy consumption achieved as a direct result of conservation and efficiency. initiatives, in joules or multiples	Table of annual consumptions: 3rd party audit and reports. Review section 4 of this report	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
302-5	Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples	Hypertec Group annually reports the carbon emissions associated with its products. The information is available on our website. Carbon Footprint Disclosure	

Appendix

11.2. GLOBAL REPORTING INITIATIVE INDEX

GRI 302: ENERGY

GRI	Description	Disclosed Information	Link
303-1	Interactions with water as a shared resource	N/A	N/A
303-2	Description of water discharge standards	N/A	N/A
303-3	Sources and volumes of water withdrawn	N/A	N/A
303-4	Destinations and volumes of water discharged	N/A	N/A
303-5	The volume of water consumed	Table of Annual Consumptions	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/

11.3. GLOBAL REPORTING INITIATIVE INDEX

GRI 303: WATER AND EFFLUENTS

GRI	Description	Disclosed Information	Link
303-1	Interactions with water as a shared resource	N/A	N/A
303-2	Description of water discharge standards	N/A	N/A
303-3	Sources and volumes of water withdrawn	N/A	N/A
303-4	Destinations and volumes of water discharged	N/A	N/A
303-5	The volume of water consumed	Table of Annual Consumption	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/

Appendix

11.4. GLOBAL REPORTING INITIATIVE INDEX

GRI 305: EMISSIONS 2016

GRI	Description	Disclosed Information	Link
103- 1, 2 and 3	Explanation of emissions as a material topic, including its boundary, the management approach, its components, and the evaluation of the management approach."	Please review sections 2 and 3 of this report	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
305-1	Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent	Table of consumptions; and Hypertec Group has assessed Scopes 1 and 2. For Scope 3, categories 1, 3, 4, C5, C6, C7, C8, C9 and C11	
305-2	Indirect (Scope 2) GHG emissions		
305-3	Gross other indirect (Scope 3) GHG emissions in metric tons of CO2		
305-4	GHG emissions intensity ratio for the organization	Table of emissions and consumption	
305-5	GHG emissions were reduced directly due to reduction initiatives in metric tons of CO2 equivalent	Table of consumptions	

Glossary

12. GLOSSARY

GHG emissions:

Gas that contributes to the greenhouse effect by absorbing infrared radiation.

Scope 1:

Stands for the organization's direct GHG emissions. Direct GHG emissions occur from sources owned or controlled by the company.

Scope 2:

Stands for the organization's indirect GHG emissions. Indirect GHG emissions are from the consumption of purchased energy from a source owned or controlled by another entity. Purchased.

Scope 3:

Stands for the organization's indirect greenhouse gas (GHG) emissions. These indirect GHG emissions occur in the company's value chain but are from sources not owned or controlled by the organization.

Ozone-depleting substances (ODS):

A substance with ozone depletion potential more significant than 0 that can deplete the stratospheric ozone layer.

Wastewater:

Sum of effluents, used water, and unused water released to surface water, groundwater, or third party, for which the organization has no further use, throughout the reporting period.

Air pollutants:

Emissions that adversely affect climate, ecosystems, air quality, habitats, agriculture, and human and animal health.

Circularity measures:

Measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted, and waste generation is prevented.

Waste diverted from disposal:

Anything the holder could recover by following the processes: prepare for reuse, recycling, or other recovery operations.

Waste directed to disposal:

Anything that the holder discards, intends to discard, or is required to discard.

Membership Associations

13. MEMBERSHIP & ASSOCIATIONS

- Responsible Business Alliance (RBA)
- Responsible Mineral Initiative (RMI)
- Electronics Product Stewardship Canada (EPSC)
- Global Electronics Council (GEC)
- Electronic Products Recycling Association (EPRA)
- Information Technology Industry Council (ITI)
- Climate Disclosure Program (CDP)
- EcoVadis, Sustainability Rating Agency



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Founded in 1984, Hypertec is an award-winning global technology provider offering a wide range of cutting-edge products and services with a strong emphasis on sustainability. Trusted by industry leaders in the cloud, communication, financial services, media and entertainment, healthcare, and public sectors, Hypertec serves clients in over 80 countries worldwide. The company has earned international recognition for its sustainability leadership and innovative manufacturing practices.



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