



**TTI, Inc.**  
**Statement on Forced Labor and Child Labor in Supply Chains**  
**For the year ended December 31<sup>st</sup>, 2023**

Introduction

TTI, Inc. is firmly committed to maintaining the highest ethical and legal standards. We are committed to adhering to all applicable laws and regulations, ensuring our practices are both ethical and compliant. We conduct business in a manner that respects the rights and dignity of all people. We strive to engage our suppliers to ensure that their operations and supply chains are free from forced labor, child labor, and any other form of unfair labor practices.

This is TTI, Inc.'s modern slavery statement pursuant to Canada's *Fighting Against Forced Labor and Child Labor in Supply Chains Act* (S.C. 2023, c.9), and it will be reviewed annually hereafter. This report details TTI, Inc.'s dynamic compliance framework designed and continuously evolving to detect and prevent any form of forced or compulsory labor or child labor in our business or supply chain.

Group Structure, Operations, and Supply Chain

This joint statement is made by and for TTI, Inc. and the following subsidiaries:

- Mouser Electronics, Inc.
- Mouser Electronics (Canada) Inc.
- Sager Electrical Supply Company, Inc.
- Exponential Technology Group, Inc.
- Braemac Pty Ltd.

Hereinafter collectively referred to as the TTI Family of Specialists.

TTI, Inc. is headquartered in Fort Worth, Texas, USA. TTI, Inc. is a global authorized specialty distributor of interconnect, passive, electromechanical components, and discrete semiconductors.

Mouser Electronics, Inc. is headquartered in Mansfield, Texas, USA. Mouser Electronics, Inc. is a global factory-authorized distributor of semiconductors and electronic components. Mouser Electronics, Inc. is the ultimate parent company for Mouser Electronics (Canada) Inc., a sales subsidiary located in Kitchener, ON, Canada.

Sager Electrical Supply Company, Inc. is headquartered in Middleborough, Massachusetts, USA. Sager Electrical Supply Company, Inc. is a distributor of interconnect, power, battery, thermal & e-mech electronic components and provider of value-add solutions.

Exponential Technology Group, Inc. is headquartered in Fort Worth, Texas, USA. Exponential Technology Group, Inc. is a collection of companies and divisions specializing in the design-in and supply of component technologies that enable modern electronic systems from automotive and

communication applications to the internet of things. Exponential Technology Group, Inc. is the ultimate parent company for Braemac Pty Ltd. Braemac Pty Ltd. is headquartered in Australia. Braemac Pty Ltd. is a distributor of electronic components in Australia and New Zealand.

More information about our businesses is available on our websites: [www.tti.com](http://www.tti.com), [www.mouser.com](http://www.mouser.com), [www.sager.com](http://www.sager.com), [www.xtgc.com](http://www.xtgc.com), and [www.braemac.com](http://www.braemac.com).

### Our Supply Chain Risk Profile

We have assessed the TTI Family of Specialists' operational risk profile as low in the area of forced labor, child labor, and other forms of labor exploitation.

The TTI Family of Specialists recognizes that risks of forced labor and child labor may be present in our supply chain in areas such as raw materials extraction, raw materials processing, and manufacturing. While the TTI Family of Specialists' suppliers are global, we recognize that they, or their suppliers, may maintain operations in countries of concern for forced labor and child labor. We also utilize subcontractors for certain services and recognize that there are inherent risks in outsourcing or subcontracting, including less control and visibility over working conditions.

### Actions taken to Combat Forced Labor and Child Labor risks

The TTI Family of Specialists is committed to effectively monitoring and mitigating the risk that forced labor or child labor is used at any step of distribution. Our Global Sustainability department oversees this task, along with support from Compliance, Human Resources, Product, and various other functions across the organization. Our current process includes:

- a) Policies prohibiting forced labor and child labor in our operations;
- b) Policies prohibiting forced labor and child labor in our supply chain, which are extended to the parties with whom we do business through contractual obligations;
- c) Due diligence in our hiring processes;
- d) Due diligence in our supplier relationships; and
- e) Reporting mechanism for escalation of concerns related to forced labor or child labor.

### Policies on Modern Slavery and Child Labor

The TTI Family of Specialists' Combatting Modern Slavery Policy ("MS Policy") reflects our commitment to conducting business with integrity, honesty, and fairness. The MS Policy is applicable to TTI and all its subsidiaries and adopts a zero-tolerance policy regarding modern slavery, human trafficking, and child labor. A copy of our MS Policy can be found [here](#).

The TTI Family of Specialists' Global Labor and Human Rights Policy ("LHR Policy") states our support of internal efforts to promote and protect human rights, including efforts to eradicate slavery, forced labor, child labor, discrimination, employing underage children, human trafficking, and any form of punishment and abuse. Management is accountable for appropriately training and documenting the training of personnel. A copy of our LHR Policy can be found [here](#).

Our MS Policy, LHR Policy, and Global Code of Conduct reference our Ethics and Compliance Hotline, which is available to all our employees, business partners, suppliers, sub-contractors, consultants, and their workers. This hotline is available globally 24 hours a day, 7 days a week, in multiple languages. Violations of our policies or other concerns can be raised through the hotline, and reporters can choose to remain anonymous. Employees are also encouraged to raise concerns with their managers, Human Resources, or our Chief Administrative Officer. Every report is investigated and followed up on consistently. Information received is treated confidentially. All investigations are governed by the principle of presumption of innocence. For this reason, confidentiality is assured both to the person making the report and to the person(s) affected by the report. We ensure those who make a report in good faith are protected against adverse action or retaliation.

The TTI Family of Specialists views our suppliers as partners and asks them to align with our core values through our Supplier Code of Conduct. We encourage our suppliers to require the same standards of conduct from their suppliers. Acknowledgement of the Code is a condition of doing business. The Supplier Code of Conduct includes similar expectations as our internal policies, such as a prohibition of the use of child labor and forced labor in their operations. The Code is reviewed and sent out annually to ensure that we continue to hold our suppliers to the same high ethical standards we expect within our own operations. A copy of our Supplier Code of Conduct can be found on our website [here](#).

#### Due Diligence Processes

To identify and manage risks of forced labor and child labor in our own business, the TTI Family of Specialists' hiring processes include review of government-issued identification and background checks for all prospective employees. We periodically reassess our hiring and employment practices to ensure we meet or surpass employment standards in all jurisdictions in which we operate.

For our supply-chain, the TTI Family of Specialists expects each of our business partners with whom we do business to have appropriate policies and controls in place to prevent labor exploitation in their operations, and to extend this requirement to their own business partners. Where possible, we build long-standing relationships with suppliers and other third parties in our supply chain, reinforcing our expectations of business conduct through these interactions.

The TTI Family of Specialists takes a risk-based approach to supplier due diligence, considering factors including the nature of the relationship and key characteristics of the supplier. Typical due diligence activities include:

- a) Screening suppliers against various resources – including government sites, public records, and online media – for indicators of human rights risks, and monitoring these suppliers on an ongoing basis;
- b) Asking potential suppliers to complete a comprehensive due diligence questionnaire;
- c) Confirming suppliers' commitment to our Supplier Code of Conduct; and
- d) Enhancing supplier due diligence utilizing a third-party software as a service in 2025.

Red flags identified in the due diligence process can result in the implementation of enhanced controls and remedial action where appropriate. Unresolved red flags can lead to termination of the relationship.

#### Activities That Carry a Risk of Forced Labor or Child Labor Being Used and Risk Mitigation

The TTI Family of Specialists has not identified activities that carry a risk of forced labor or child labor. Historically, as a distributor, we have not found identification of such risks to be relevant to our operations.

However, the TTI Family of Specialists completed and released its first Slavery & Trafficking Risk Template in 2024 to transparently report our progress in risk mitigation. We intend on establishing relevant guidelines, processes, and procedures to further identify and assess potential risks in our operations and supply chain.

#### Remediation Measures

The TTI Family of Specialists did not encounter forced labor or child labor used in relation to our operations or supply chain. Therefore, there have been no remediation efforts taken.

#### Remediation Measures Relating to Loss of Income to Vulnerable Persons

The TTI Family of Specialists did not identify any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in our operations or supply chain. Therefore, there have been no remediation measures taken.

#### Training

The TTI Family of Specialists is in the process of globalizing our Learning Management System (LMS) for all employees. Currently, an LMS is in place for some of our operations. Through our LMS, employees can access hundreds of different modules, some of which pertain to human rights and forced labor prevention. Our Global Code of Conduct training, which is required to be completed annually by all employees, is accessible through our LMS. This training covers labor and human rights topics and encourages employees to report any concerns or potential violations of the Code through our Ethics Hotline or other applicable channels.

The TTI Family of Specialists plans on expanding access to its LMS to all operations. The TTI Family of Specialists plans on creating and implementing more specific trainings for our employees pertaining to forced labor and child labor.

#### Effectiveness in Combatting Forced Labor and Child Labor Risks

The TTI Family of Specialists is committed to measuring and continually improving the effectiveness of our due diligence program regarding forced labor and child labor. We will:

- a) Identify ways to improve employee and supplier awareness of The TTI Family of Specialists' commitment to respecting human rights and efforts to prevent modern slavery and human trafficking in our supply chains;
- b) Stay abreast of information on global risks of slavery and human trafficking; and

- c) Enhance assessment program for external operations to identify potential human rights violations.

The TTI Family of Specialists uses the following key performance indicators to measure how effective we have been in ensuring that forced labor and child labor are not taking place in our operations or supply chain:

- a) Use of payroll systems and human resource information to ensure that all employees are of legal working age and paid fairly for the work they perform;
- b) Number of employees completing our Global Code of Conduct training; and
- c) Employee feedback on our Ethics Hotline and other escalation channels.

Approval of the Statement

This statement is made in accordance with Section 11 of the *Fighting Against Forced Labor and Child Labor in Supply Chains Act* and constitutes the joint statement of TTI, Inc., Mouser Electronics, Inc., Mouser Electronics (Canada) Inc., Sager Electrical Supply Company, Inc., Exponential Technology Group, Inc., and Braemac Pty Ltd. for the financial year commencing on January 1, 2023 and ending on December 31, 2023.

This statement was approved by the Board of Directors of TTI, Inc. pursuant to Paragraph 11(4)(b)(ii) of the *Fighting Against Forced Labor and Child Labor in Supply Chains Act* on August 9, 2024.

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Mike Morton  
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Michael W. Morton  
Chief Executive Officer, TTI, Inc.

Date: 8/9/2024

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John Archer  
By: \_\_\_\_\_  
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John H. Archer  
Corporate SVP/Chief Administrative Officer,  
TTI, Inc.

Date: 8/9/2024