



REPORT ON ANTI-MODERN SLAVERY, HUMAN TRAFFICKING AND CHILD LABOR

FY24

INTRODUCTION

This report on modern slavery, human trafficking and child labor (the “**Report**”) describes the actions taken by Lightspeed Commerce Inc. (“**Lightspeed**” or the “**Company**”) and, as defined below in the section “Our Structure”, its Reporting Subsidiaries (together with Lightspeed, the “**Lightspeed Group**”, “**we**” or “**our**”) during the fiscal year ended March 31, 2024 (“**FY24**”) to prevent modern slavery, human trafficking and child labor in our operations and our supply chains pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”), the *Modern Slavery Act 2015* (United Kingdom) and the *Modern Slavery Act 2018 (Cth)* (Australia). For the purposes of this Report, “**Modern Slavery**” includes, but is not limited to, forced or compulsory labor, slavery, servitude, child labor and human trafficking.

This Report is the first report published by the Lightspeed Group pursuant to the Act and sets out the steps taken to prevent and reduce the risk that Modern Slavery is used in the Lightspeed Group’s operations and supply chains at any step of the production of goods in Canada or of goods imported into Canada by the Lightspeed Group. The Report will be published annually to record our ongoing work to protect human rights and reduce the risk that Modern Slavery is being used in our operations and supply chains.

Lightspeed, as the principal governing body of the Lightspeed Group, is submitting this joint Report on behalf of its Reporting Subsidiaries. This Report has been prepared by Lightspeed in consultation with the senior management of the Reporting Subsidiaries. The Lightspeed Board of Directors (the “**Board**”) approved this Report at its meeting held on May 15, 2024.

WHO WE ARE, OUR ACTIVITIES, STRUCTURE, OPERATIONS AND SUPPLY CHAINS

About Lightspeed and our Activities

Founded in Montréal, Canada, in 2005, Lightspeed is dual-listed on the New York Stock Exchange and Toronto Stock Exchange (NYSE | TSX: LSPD) and is incorporated under the *Canada Business Corporations Act*. Lightspeed offers a cloud-based commerce platform that connects suppliers, merchants and consumers while enabling omnichannel experiences for small and medium-sized businesses around the world. With the mission to bring technology and insight to the innovators who are elevating their industries, and with teams across North America, Europe and Asia-Pacific, the Company serves retail, hospitality and golf businesses in over 100 countries.



Our flagship solutions include Lightspeed Restaurant, a unified hospitality commerce offering, and Lightspeed Retail, a retail commerce offering that unites advanced POS, payments, and ecommerce into one cohesive and powerful solution. In addition, Lightspeed eCommerce allows merchants to enhance omnichannel reach and increase selling flexibility, including through social media platforms and digital marketplaces.

Our Structure

Lightspeed is a corporation incorporated under the federal laws of Canada and the principal governing body of the Reporting Subsidiaries, which include the following entities:

In Canada:

- **15042178 Canada Inc.**, a corporation incorporated under the federal laws of Canada and a wholly owned subsidiary of Lightspeed.
- **14917308 Canada Inc.**, a corporation incorporated under the federal laws of Canada and a wholly owned subsidiary of Lightspeed.

In the United Kingdom and Northern Ireland:

- **Lightspeed POS UK Ltd.**, a private company limited by shares incorporated in England and Wales and a wholly owned subsidiary of Lightspeed.
- **ShopKeep.com Ltd**, a private company limited by shares incorporated in Northern Ireland and a wholly owned subsidiary of Lightspeed.

In Australia:

- **NuORDER Pty Ltd**, a proprietary company limited by shares incorporated in Australia and a wholly owned subsidiary of Lightspeed.
- **Lightspeed POS Holding Pty Ltd**, a proprietary company limited by shares incorporated in Australia and a wholly owned subsidiary of Lightspeed.
- **Lightspeed POS Australia Pty Ltd**, a proprietary company limited by shares incorporated in Australia and a wholly owned subsidiary of Lightspeed POS Holding Pty Ltd.
- **Vend Pty Limited**, a proprietary company limited by shares incorporated in Australia and a wholly owned subsidiary of Lightspeed POS Holding Pty Ltd.
- **Kounta Holdings Pty Ltd**, a proprietary company limited by shares incorporated in Australia and a wholly owned subsidiary of Lightspeed POS Australia Pty Ltd.



- **Kounta IP Pty Ltd**, a proprietary company limited by shares incorporated in Australia and a wholly owned subsidiary of Kounta Holdings Pty Ltd.
- **Kounta Pty Ltd**, a proprietary company limited by shares incorporated in Australia and a wholly owned subsidiary of Kounta Holdings Pty Ltd.

Lightspeed also has other wholly owned subsidiaries outside Canada, the United Kingdom, Northern Ireland and Australia in North America, Europe and Asia-Pacific. More information about our business and operating entities can be found in our latest [Annual Report](#).

Our Operations and Supply Chains

We are committed to making responsible business decisions which take into consideration the prevention of Modern Slavery in our operations and supply chains. The Lightspeed Group does not manufacture goods, nor does it handle raw materials. The Lightspeed Group's supply chains mainly consist of:

- hardware and software, including tablets, customer-facing display, receipt printers, networking hardware, cash drawers, servers, stands, barcode scanners, payment terminals and an assortment of accessories, software subscriptions, and cloud-based software and related components (i.e. semiconductor chips);
- data storage services;
- sponsorships, marketing events and trade show services; and
- professional services from our advisors including background check services, law firms, consulting, staffing, financial advisory, accounting and other professional services firms.

The majority of our suppliers and vendors are based in the United States and Canada where the labor environment is well-regulated. A small minority of sub-components hardware suppliers are operating in regions with a history of less robust regulation. As a software-as-a-service business, with the majority of our suppliers being software and professional services providers, the Lightspeed Group operates in a sector that is considered relatively low risk for Modern Slavery.



RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS

Taking into account the nature of our business activities and our industry, we have determined that our supply chain overall poses a low risk with respect to instances of Modern Slavery. The Lightspeed Group's supply chain is composed mainly of businesses in North America, Europe, Australia and New Zealand who hire qualified personnel and abide by applicable labor standards. As such, we do not generally conduct formal audits of our suppliers, beyond verifying compliance with applicable laws and jurisdictions, having our suppliers review and sign our Supplier Code of Conduct, and conducting our standard security, privacy and technology assessments. When we occasionally choose to partner with businesses operating in countries or industries which we consider to be high-risk, we implement appropriate diligence measures during the onboarding process to assess actual risk of human rights violations, as described in this Report. To the extent possible, we privilege local sourcing to foster a more streamlined supply chain and reduce our dealings with unknown sub-contractors.

In view of conducting a supplier mapping process, we identified certain industries in our supply chain as posing a higher risk of Modern Slavery, based on reports and literature published by governmental authorities and consulting groups. We have identified that a supplier operates in a “**high-risk**” industry when it operates in or has a significant part of its supply chain in one or more of the following industries:

- manufacturing, especially of electronics;
- supply-chain services, including transportation, warehousing and contract-manufacturing;
- construction;
- facility services, including cleaning, maintenance and security; and
- business process outsourcing and contingent labor.

We further discuss our supplier mapping and due diligence processes below in the section titled “Actions Taken to Assess and Address the Risks of Modern Slavery – Due Diligence and Analysis of Supply Chain”.

ACTIONS TAKEN TO ASSESS AND ADDRESS THE RISKS OF MODERN SLAVERY

Our Policies

Code of Conduct and Ethics

We have implemented a Code of Conduct and Ethics which is accessible to each of our employees at all times. The Code of Conduct and Ethics outlines our most fundamental shared values and helps our employees understand and comply with our Company policies, applicable laws, rules and regulations. The Code of Conduct and Ethics instructs employees to act with integrity and in compliance with applicable laws in all facets of their job and to promptly report their concerns of any illegal or unethical activity, including in accordance with our Whistleblower Policy. The Code of Conduct and Ethics also lays out Lightspeed's zero tolerance policy for harassment, bullying, violence and discrimination, as well as our dedication to workplace



health and safety. In addition, the Code of Conduct and Ethics reiterates our commitment to acting against Modern Slavery in our operations and supply chain.

Supplier Code of Conduct

Our third-party suppliers globally are generally expected to sign and comply with our Supplier Code of Conduct unless they meet an appropriate exemption (such as maintaining their own code of conduct with comparable mandates). Our Supplier Code of Conduct requires compliance with all applicable laws, rules and regulations of the jurisdiction in which a supplier operates, adoption of sound labor practices, respect of occupational health and safety and human rights standards, responsible sourcing of minerals and operating with business ethics. We also encourage our partners and suppliers to integrate sustainability into their business operations.

If a non-exempted supplier fails to comply with any aspect of the Supplier Code of Conduct, we expect notice of the violation to be provided either directly to the point of contact for the relationship or through our whistleblower reporting hotline. Further, the supplier is expected to implement corrective actions to address any contraventions of the Supplier Code of Conduct.

Extract from our Supplier Code of Conduct
“We believe that every member of our community should be treated the way they want to be treated. This means that our Suppliers should adopt sound labor practices, respect human rights, and create a work environment in which their workers feel valued and respected. Our Suppliers should:

- prohibit child labor, modern slavery, and human trafficking in production or anywhere in their business and supply chain*
- respect employees’ right to leave one’s employment upon reasonable notice*
- allow workers to associate freely and bargain collectively in accordance with applicable laws and regulations*
- provide fair wages and benefits to their workers that meet or exceed local regulations*
- ensure that working hours do not exceed applicable legal limits*
- treat workers and third parties with dignity and respect and not permit any kind of physical, sexual, verbal, or psychological violence, bullying, discrimination, harassment, or abuse*
- ensure fair hiring, retention, and evaluation processes”*

Vendor Management Policy

Lightspeed maintains a Vendor Management Policy which applies to the procurement of services from information technology vendors, one objective thereof being to abide by our corporate social responsibility commitments. The Vendor Management Policy provides that, if appropriate given the vendor, the Lightspeed Group employee or representative in charge of the third-party relationship must obtain email confirmation that the vendor does not, directly or indirectly, engage in Modern Slavery.



Whistleblower Policy

Lightspeed also maintains a Whistleblower Policy which outlines procedures and available channels of communication for reporting concerns about unethical, fraudulent or illegal business conduct. In addition, in order to encourage compliance with these policies and a culture of integrity across the organization, Lightspeed provides an avenue for complaints and disclosures to be made anonymously through our whistleblower reporting hotline.

Each of our current policies, including the Code of Conduct and Ethics, the Supplier Code of Conduct, the Vendor Management Policy and the Whistleblower Policy, is publicly available or disseminated to all relevant stakeholders and routinely reviewed and updated to ensure relevance and compliance with applicable legal standards.

Training

As part of our employee onboarding program, the Code of Conduct and Ethics must be read by all employees, who are required to sign an acknowledgment that they have read it and will adhere to its content. In addition, employee onboarding includes a video presentation which addresses certain Company policies, including the Code of Conduct and Ethics and our Whistleblower Policy.

Due Diligence and Analysis of Supply Chain

The prevention of Modern Slavery is an important consideration for any business. As such, and in light of the Act, we have conducted appropriate due diligence as part of our wider commitment around corporate social responsibility, equitable trade, and human rights. Namely, we conducted a risk assessment of our supply chain by mapping our suppliers based on financial commitment (amount of spend per year exceeding a certain threshold in our last three fiscal years) and high-risk industries. After completing this supply chain mapping exercise, we reviewed publicly available information to determine which companies had already publicly undertaken to comply with anti-forced labor legislation in the jurisdictions in which we operate. For those suppliers we were unable to confirm such a commitment, we contacted them and requested that they attest that they will comply with the requirements of the Act.

We also regularly review certain categories of purchases for conflict minerals, in accordance with the United States Dodd-Frank legislation and United States Securities and Exchange Commission regulations.

With a view to doing our part to address Modern Slavery issues, we have implemented the measures described in this Report into our business processes. In addition, we maintain open communication channels with Lightspeed subsidiaries worldwide and prioritize direct consultation related to Modern Slavery prevention.



Board Oversight & Governance

Lightspeed's engagement towards preventing Modern Slavery in its operations and supply chain and across the Lightspeed Group is also reflected in the Company's governance framework. The Board appoints Board committees to foster a culture of honesty and accountability across the Company and to provide oversight on specific matters:

- the Compensation, Nominating and Governance Committee provides general guidance and oversight to the Company regarding matters of corporate governance, including the Company's environmental, social and governance programs, and assists the Board, as required, in interpreting and applying Lightspeed's Code of Conduct and Ethics and other corporate governance policies and processes;
- the Risk Committee oversees legal and regulatory compliance and the effectiveness of the Company's compliance on information system controls, business continuity and risk control, which includes doing business in higher risk areas; and
- the Audit Committee oversees Lightspeed's compliance with effective conduct of internal controls and policies, including the Whistleblower Policy.

Additional information concerning our corporate governance structure is available on our Investor Relations [Website](#).

Employees Engaging with Third Parties

Although formal training on engaging with third parties is not generally offered, employees who manage relationships with third parties, such as suppliers, agents, consultants, and independent contractors, are expected to ensure that those parties are made aware of the relevant provisions of the Supplier Code of Conduct and Code of Conduct and Ethics. In doing so, our direct suppliers are informed of what is required from them when doing business with us, without having them formally certify their compliance with applicable anti-slavery laws.

ASSESSING OUR EFFECTIVENESS AND CONSULTATION PROCESS

We understand the impact and prevalence of Modern Slavery in the global supply chain. With a view to doing our part to address these issues, we have implemented the measures described above into our business processes. On an annual basis, we review the effectiveness of these measures through active discussion and consultation with stakeholders and management. We will continue to scrutinize our supply chain in order to better detect the risks of Modern Slavery, adequately assess their importance, and identify the appropriate response, which can include risk mitigation, remediation or termination of the relevant business relationship.



REMEDATION MEASURES

In FY24, to the knowledge of management and the Board no incidents of Modern Slavery have been reported in the Lightspeed Group. Therefore, remediation measures did not need to be taken to correct an incident of Modern Slavery or to compensate for loss of income to vulnerable families. However, our Code of Conduct and Ethics, Supplier Code of Conduct and Whistleblower Policy provide a framework for our employees and suppliers to report unethical conduct or illegal activity. If a situation of non-compliance is discovered or reported in the future, we will investigate and take the appropriate remedial measures to either cease, prevent or mitigate any adverse effects, and improve the enforcement of our policies in our supply chain.

OUR ONGOING COMMITMENT TO RESPECTING HUMAN RIGHTS

Lightspeed takes its role in ending Modern Slavery very seriously. We believe that Modern Slavery has no place in our global society. Accordingly, this Report and our associated initiatives will be scrutinized and re-evaluated on an annual basis, so as to ensure a transparent, ethical, and efficient supply chain.

APPROVAL AND ATTESTATION

This joint Report has been prepared by Lightspeed in consultation with the senior management of each Reporting Subsidiaries. The Board approved this Report on May 15, 2024, including in accordance with subparagraph 11(4)(b)(ii) of the Act.

In accordance with the Act, and in particular section 11 thereof, I hereby attest that I have reviewed the information contained in the Report. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for FY24.

I make the above attestation in my capacity as a member of the Board for and on behalf of the Board.



Dax Dasilva
Director, Founder and Chief
Executive Officer

