



Forced Labor and Child Labor

2023 Annual Report

INTRODUCTION

Founded in 2020, Denvr Dataworks Corp. ("Denvr") delivers advanced cloud-based computing solutions, specializing in high-performance services tailored to a broad spectrum of client needs. Our mission is to provide businesses and developers with cutting-edge AI infrastructure which includes software and hardware equipment. Operating across North America, Denvr champions human rights and ethical business practices. We recognize the risks of modern slavery, including forced and child labor, in our supply chains and emphasize a collaborative approach to manage these risks with our suppliers, workforce, and stakeholders. This report details our governance, efforts, and progress in the 2023 fiscal year to combat modern slavery.

REPORTING CONTEXT

Denvr, is a federally incorporated entity, and is subject to the legal requirements outlined in section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act)¹ (Any references identified by a superscript number can be found as references on the last page of this report). This report filed as a non-joint report and is approved by the Denvr Board of Directors on May 24, 2024, in compliance with the Act and covers procurement and supply chain functions operated by Denvr from January 1st to December 31st, 2023. The terms "Denvr Dataworks", "Denvr", "we", "our", and "the Company" refer to Denvr Dataworks Corp.

SERVICES, STRUCTURE, and SUPPLY CHAIN

Corporate Structure and Product Offerings

Denvr is the sole company represented in this report and is headquartered in Calgary, Alberta, Canada. Denvr's services can be summarized via the below 4 focus areas.

- **Artificial Intelligence (AI) Model Training:** Our state-of-the-art infrastructure and Graphics Processing Unit (GPU) cloud services elevate language learning model training projects, ensuring unparalleled performance and efficiency that redefine the boundaries of technological innovation and business success.
- **Denvr Cloud Marketplace:** Denvr introduces an innovative GPU Marketplace, revolutionizing how businesses access and upgrade their AI infrastructure. This platform allows users to seamlessly receive early hardware upgrades by listing their existing infrastructure on the Denvr Marketplace, ensuring they are always at the cutting edge of technology while optimizing their investment. At times we will partner with our customers to provide them with services and hardware to enable their AI and LLM requirements.
- **AI Model Serving:** Denvr offers unparalleled infrastructure for the inference of AI models. Our advanced technology ensures your business benefits from faster, with more efficient AI model deployment.
- **Rendering for Media & Entertainment:** Denvr is transforming the landscape of rendering for Media & Entertainment, offering unparalleled speed and efficiency. Our advanced GPU cloud services enable creators to bring their visions to life with breathtaking detail and realism, pushing the boundaries of what's possible and opening new horizons in storytelling and visual artistry.

Denvr's operations - which include the operations of the entity which is subject to this report, as well as various of its subsidiaries - encompass an organization of 52 employees distributed across Canada and the US. At the time of preparing this report, such operations are comprised of 52 employees, distributed across Canada and the US, comprised of Engineering, Networking, Chemistry, Finance, Marketing, Construction, Sales and Software experts that have come together with the same purpose and values. Denvr's leadership duties are distributed across 6 key leadership roles reporting to the CEO, where Supply Chain and Procurement responsibilities fall under the office of the CFO.

Supply Chain

The Supply Chain function is a centralized organization that supports Denvr's processes and operations across Canada and the US. It owns all of Procurement and Vendor Management responsibilities while tracking key supplier metrics including safety, quality, delivery and cost. The supply chain organization works with all other Denvr's functions to identify corporate needs, search for and onboard new suppliers, conduct competitive RFPs and negotiate contractual deliverables. For the year 2023 the following categories accounted for the majority of Denvr's spend.

- **IT Products & Services:** encompass hardware solutions such as servers, network switches, racks, transceivers, and cabling (ethernet and fiberoptic). The services extend to delivery, installation, and commissioning of the equipment, ensuring it meets operational standards and performance needs. This combination supports the establishment and maintenance of efficient cloud based computing solutions, specializing in high performance services tailored to a broad spectrum of client needs.
- **Real Estate:** includes data center service leases and office building fees for business operations.
- **Finance:** partnership with organizations that provide financing for IT Equipment.

Denvr's procurement organization is dedicated to continuous improvement, focusing on enhancing our supply chain processes and policies to foster growth and scalability. This commitment is rooted in Denvr's core values and ethical standards.

POLICIES AND DUE DILIGENCE

Governance and Responsibilities

The Denvr Board of Directors meets on a regular basis to evaluate the company's strategic direction and review existing risks and policies. The Denvr leadership team also meets regularly to review specific metrics across the company. This process is designed to systematically identify, aggregate, and monitor any emergent company risks.

Policies, Processes and Standards

Since the company's inception in 2020, Denvr has dedicated itself to conducting business in accordance with the highest ethical standards. We expect our supply chain partners to conduct business in accordance with such standards. Accordingly, Denvr has established a number of comprehensive policies, procedures, and processes which encompasses protection of human rights and prevention of forced labour and child labour.

Pledge of integrity and values: The Denvr Pledge of Integrity & Values is a documented formal statement that outlines Denvr's core principles and ethical standards that the business commits to uphold in all its operations, interactions, and decision-making processes. It serves as a public declaration of the company's commitment to integrity, transparency, and ethical behavior. The Denvr Pledge can be used to communicate the company's values to employees, customers, partners, and stakeholders, reinforcing the organization's dedication to ethical conduct.

Code of Ethics Policy: The Code of Ethics and Conduct Policy (the "Code") is in place to document the principles of ethics and conduct standards to be adhered to by the Company's Directors, Chief Officers and employees ("Personnel"), and to establish mechanisms for the reporting of unethical conduct as well as potential consequences for misconduct.

Workplace Violence & Harassment Policy: The purpose of this policy is to contribute to fostering a safe, healthy, and inclusive workplace. It expresses Denvr's commitment to a workplace that is free of violence, harassment, or discrimination.

Supplier Code of Conduct²: This Code of Conduct outlines the ethical and legal standards expected from all suppliers to promote integrity and compliance. It is visible publicly on our website. Key Principles include respect for human rights, environmental sustainability, and anti-corruption measures. All Denvr Suppliers are expected to have controls in place to mitigate the risks or must have similar documents that attest to their commitment to eliminating child slavery and forced labor. A similar attestation of such commitments may be a membership in the Responsible Business Alliance ("RBA"). The Denvr Supplier Code of Conduct Section 4 specifically focuses on Human Rights and Fair Labor Practices and specifies that all suppliers must:

- Comply fully with all jurisdictional laws,

- Share its commitment to respect all human rights and to provide equal opportunity in the workplace as set forth in the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact Principles and the International Labour Office (ILO) Core Labor Standards, and
- Take effective measures to remedy any adverse human rights and fair labor impacts under the above, including the disclosure of any and all potential violations and cooperating fully in subsequent investigations into such violations.
- Denvr Dataworks Corp. Supplier Code of Conduct allows it to conduct audits or inspections to ensure compliance, Suppliers that violate the SCOC or any Denvr Dataworks policies risk termination of their business relationship with Denvr Dataworks

Expectations on reporting violations

Denvr's Supplier Code of Conduct and Code of Ethics Policy outline multiple reporting channels for violations or concerns. We strongly encourage reporting any actual or potential non-compliance with our policies or legal obligations, including issues related to forced labor, child labor, and health, safety, and environmental hazards. Personnel must report any suspected violations, and we ensure all reports are taken seriously, offering protection against disciplinary action for reports made in good faith. Various reporting options are available, including a dedicated legal email, and escalation to the Chief of Staff, HR, Chief leadership, the CEO or the Board.

ASSESSING MODERN SLAVERY RISKS

Understanding Our Risk Exposure

Denvr's risk of forced and child labor exposure would be within its supply chain, particularly when acquiring goods. The company acknowledges the complexities and challenges associated with identifying and combatting modern slavery in its supply chain. This is the first iteration of our analysis and reporting to comply with the new annual requirements imposed by the Act. As part of this analysis, we conducted a screening of our suppliers and addressable spend to identify potential risks.

99%
OF DENVR'S ADDRESSABLE SPEND WAS
SCREENED FOR HUMAN RIGHTS ISSUES

87.5%
OF DENVR'S CRITICAL SUPPLIERS WERE
SCREENED FOR HUMAN RIGHTS ISSUES

- We leveraged both the Global Slavery Index Report³ and the US Labor List of Goods Produced by Child Labor or Forced Labor⁴ as well as our internal controls and measures to evaluate the risks. By having these processes in place and working in collaboration with our supplier partners we were able to validate that the appropriate controls and policies were in place to mitigate the risks. This was applicable to purchases of servers and transceivers equipment commonly manufactured in Mexico, China and the United States. This category comprised the majority of the company's spend which is why it was the focus of our efforts. To ensure appropriate controls were in place to mitigate the risks, Denvr confirmed that in addition to having internal policies and controls against Child and Forced Slave Labor the two suppliers from whom these components were purchased are both "Full Members" of the RBA.
- As an operator/lessor of a number of offices and facilities across Canada and United States, Denvr was able to complete the required screening and at times validate via audits or similar methods the absence of risks within this category. This applied to facilities located in Calgary and Toronto, Canada and Texas, United States. The remaining spend was across purchased services groups including consulting, legal, auditing, engineering and equipment leasing. In all cases Denvr dealt directly with the individual or individuals providing the services and was able to validate absence of risks of child and forced labor. This is further supported based on the US Labor and Slavery Index Reports and analysis from a perspective of highest risk areas in for potential of Slave and Child labor in Canada and the US.
- While the company has confirmed the presence of risk controls against child and forced labor at various points within its procurement processes, Denvr is committed to continuously reviewing and evaluating its internal policies aimed at preventing forced and child labor and improve where necessary.

This information reflects Denvr's current understanding of modern slavery risks based on an initial supply chain screening for a specific time period. We are continually improving our monitoring of supplier activities concerning modern slavery, acknowledging that high-risk categories and countries may shift as we acquire further insights.

ACTIONS TO ADDRESS MODERN SLAVERY RISKS

- As part of the supplier onboarding process we interview each supplier to understand their corporate values and how they match up with Denvr's expectations. Denvr would not onboard a supplier we believed at the time of onboarding did not comply with our values.
- We have implemented a supplier onboarding process that requires all suppliers to agree to our Supplier Code of Conduct. This process includes thorough upfront screening and review during supplier selection and ensuring compliance and alignment with our ethical standards. Additionally, we have established clear, measurable metrics across five key management pillars: Risk, Financial, Contractual, Relationship, and Performance, to ensure comprehensive oversight and effective management of our supply chain partnerships.
- Each supplier is asked to sign the Denvr Supplier Code of Conduct or provide a similar standard documentation which is visible on our website. Our contractual request for proposal (RFP) templates highlight the importance of being compliant to the Denvr Supplier Code of Conduct.
- We established a Supplied Audit form to be used for in person visits that would evaluate the likelihood presence of child or forced labor and started rolling it out in early 2024.
- All suppliers are evaluated based on the type of goods or service they provide, Denvr's total spend with them, and their criticality to the business. Depending on the risk profile of the supplier, additional financial, reputational screens may be required as well as a potential onsite audit.

Should any issues arise, they are promptly escalated to senior management for review and action, following Denvr's internal escalation procedures. Suppliers, materials, and manufacturing sites identified may undergo additional due diligence screening and enhanced risk controls. In 2023, NONE of Denvr Data's suppliers were found to have issues related to forced or child labor.

REMEDIATION MEASURES

Denvr prioritizes understanding the operations and supply chains of its Critical suppliers and performing the risk assessment on at least 80% of its annual spend to identify risks of forced or child labor. Since no evidence of such labor was found using Denvr's processes and tools, no remediation measures were taken either with respect to forced labour or child labour in our supply chains, or with respect to the loss of income to the most vulnerable families that would result from such measures in the fiscal year 2023.

TRAINING AND AWARENESS

Upholding human rights, including combatting both forced labour and child labour, is explicitly addressed in Denvr's annual Child Labour training. Every member of the Denvr team is expected to read, understand and comply with the principles and requirements set out in the Denvr Supplier Code of Conduct along with other Ethics and Safety Policies and is required to complete annual internally developed training conducted by the Supply Chain Team. In addition to the annual training all new employees are required to attend the mandatory training within 30 days of starting, as there is a monthly refresher led by the supply chain team. This dual-layered training framework underscores our dedication to fostering a culture that not only understands but actively champions human rights across all facets of our operations and supply chains.

ASSESSING EFFECTIVENESS

Denvr is dedicated to fostering a resilient and transparent supply chain that upholds and protects the human rights of the workers involved. This commitment is echoed by our employees, suppliers, and partners. In 2023, our efforts were centered on establishing a Supply Chain Function, crafting necessary policies and procedures, refining our supplier selection and procurement processes, and defining key progress indicators to assess supplier performance. We are committed to continuously enhancing our program to monitor human rights issues across all critical suppliers.

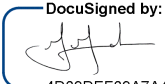
For any questions please contact: Legal@denvrdata.com

NEXT STEPS

Denvr is committed to enhancing our processes and systems to effectively combat child and forced labor. We plan to implement business review with our critical suppliers, allowing for structured discussions and formal performance feedback. Additionally, we are exploring options to automate certain processes and methods related to supplier management. As part of our continuous improvements, we aim to identify emerging risks and strengthen our due diligence policies. These ongoing efforts are crucial for developing and implementing robust measures to identify, address, and prevent the use of forced and child labor in our operations and supply chain.

REPORT APPROVAL AND ATTESTATION

This report has been approved by the Board of Directors of Denvr Dataworks Corp. on its own behalf. Having diligently reviewed the contents for the fiscal reporting year of 2023, which for Denvr Dataworks it is the period between Jan 1st 2023 to Dec 31st 2023, we attest to the truthfulness and precision of all material aspects necessary for the purposes of the Act.

DocuSigned by:

Signature: _____
4D03BEF03A7A441...

Date: 5/22/2024

Name: Geoff Gordon

Title: CEO

I have the authority to bind Denvr Dataworks Corp.

BIBLIOGRAPHY, RESOURCES, AND REFERENCES

1. [Public Bill \(Senate\) S-211 \(44-1\) - Third Reading - Fighting Against Forced Labour and Child Labour in Supply Chains Act - Parliament of Canada](#)
2. Supplier Code of Conduct References
 - a. Denvr Supplier Code of Conduct: www.denvrdata.com/supplier-code-of-conduct
 - b. Responsible Business Alliance: www.responsiblebusiness.org/
 - c. Universal Declaration of Human Rights: www.ohchr.org/en/universal-declaration-of-human-rights
 - d. UN Guiding Principles on Business and Human Rights: www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
 - e. UN Global Compact Principles: <https://unglobalcompact.org/>
 - f. International Labour Office (ILO) Core Labor Standards: https://webapps.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf
3. Global Slavery Index Report: <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>
4. List of Goods Produced by Child Labor or Forced Labor: www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods