



Dejero Labs Inc.
410 Albert Street, Suite 200
Waterloo, ON, Canada N2L 3V3

Dejero's Fighting Against Forced Labour and Child Labour in Supply Chains Report

To meet the applicable requirements of Fighting Against Forced Labour and Child Labour in Supply Chains Act ("the Act")

Introduction

This report ("the Report") is the second Supply Chains Act Report submitted pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chain Act* ("Act") by **Dejero Labs Inc.** ("the Corporation") and its subsidiaries listed below (collectively "Dejero" or the "Company" or "we" or "our"). The activities described in this Report pertain to the fiscal year beginning on January 1, 2024, and ending on December 31, 2024 ("Reporting Period"). The following companies are subsidiaries of Dejero Labs Inc. under the Act and are referred to as "subsidiaries" in this Report:

- Dejero Inc. (United States)
- Dejero Europe Limited (United Kingdom)
- Dejero S. de R.L. de CV (Mexico)

The Report outlines the steps that Dejero Labs Inc. and its subsidiaries have taken during the reporting period to prevent and reduce the risk that Forced Labour or Child Labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.

Steps Taken in the Previous Financial Year to Prevent and Reduce Risks of Forced Labour and Child Labour

Dejero is committed to respecting human rights, acknowledging the potential impact that its activities and supply chains may have on the economic status and fundamental rights of its people.

Previously, the Supplier Qualification Checklist was updated to include Bill S-211 Compliance, with responsibility assigned, Finance and Supply Chain, ensuring that all new vendors must adhere to this checklist. The hardware team has evaluated that no conflict minerals are utilized, and factory suppliers may be audited through casual walk-throughs to monitor for child labour. Furthermore, compliance with Forced and Child labour has been incorporated into the scope of the 2024-2025 internal quality program. An anonymous reporting form has also been established, which is submitted to the Chief People Officer.

During the Reporting Period, Dejero carried out the following:

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- Worked with a professional third-party firm to identify gaps in the current policies, and to develop recommendations to address them.
- Mapped the supply chain to understand the characteristics of a subset of its Tier 1 suppliers for each entity.
- Adopted a third-party assessment methodology to conduct an inherent risk assessment for a subset of its Tier 1 suppliers.

Our Company

Dejero Labs Inc.

Dejero Labs Inc. is in the network communications, and internet connectivity industry, and delivers real time video and networking solutions that provide resilient, uninterrupted internet connectivity for critical communications.

Founded in 2008, the company is privately held, and headquartered in Waterloo, Ontario, Canada. The Company's Senior Management and Board of Directors (the "Board") are located in Ontario, Canada and provide governance and oversight of the Company to ensure compliance with laws, and a strong approach to ESG practices and corporate social responsibility.

The Company uses proprietary intelligent network aggregation technology to combine diverse networks including 4G/5G cellular networks, GEO/MEO/LEO satellite, and fixed broadband, to create a software-defined "network of networks" managed in the cloud. The result is enhanced reliability, expanded coverage, and greater bandwidth for our global customers.

In order to deliver the reliable connectivity to its customers, the Company engages in light touch manufacturing of its portfolio of mobile transmitters, network devices, and return servers. The bare metal boxes are produced by Dejero's suppliers predominantly in the United States and Taiwan, and then shipped to Waterloo for imaging, testing, and quality assurance (and in some cases final assembly with peripheral parts) before being shipped to the end customer. The remainder of Dejero's product offerings fall under the "services" category and include software services ("SaaS"), cellular and satellite connectivity, hardware and software maintenance and support, and cloud services.

Dejero Inc. (United States)

Dejero Inc., a subsidiary fully owned by Dejero, incorporated in the United States, is involved in marketing and sales, technical support, and logistics and supply chain management in the United States. The company sustains a workforce of 16 employees.

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Dejero Europe Limited (United Kingdom)

Dejero Europe Limited, a subsidiary fully owned by Dejero, incorporated in the United Kingdom, is involved in marketing and sales and technical support for the European market. The company sustains a workforce of 1 employees and contractors.

Dejero S. de R.L. de CV (Mexico)

Dejero S. de R.L. de CV, a subsidiary fully owned by Dejero, incorporated in Mexico, relies on contractors to support its marketing and sales activities.

Our Supply Chains and Business

Dejero procures a number of high technology assemblies, subassemblies and component parts from a variety of suppliers. The bulk of the value is from 15 main suppliers, composed of large reputable companies. These suppliers provide the semi-finished assemblies, which Dejero then finalizes at their facility in Waterloo, Ontario. Dejero completes a vendor qualification form to qualify any new vendor before the first order is placed.

Dejero and its subsidiaries have mapped a sample of their Tier 1 supply chain. Below, we describe the sector characteristics of some of the suppliers, based on their potentially high inherent risk profile due to the nature of the goods and services they provide. It is important to note that these suppliers do not represent all Tier 1 suppliers but rather a targeted sample for analysis.

To enhance our understanding of Tier 1 suppliers and their influence on our supply chain, Dejero compiled a set of tables that offer relevant information about supplier distribution. Collectively, these insights will support supplier management and strategies for mitigating risks.

Overall, many of Dejero’s Tier 1 suppliers are located in North America, with Asia and other regions accounting for less.

Table 1 Sector Breakdown of Dejero and Subsidiaries’ Tier 1 Sample Suppliers

Sector (NAICS 2022 - Level 1)
Information and cultural industries
Manufacturing
Professional, scientific and technical services
Wholesale trade
Real estate and rental and leasing
Other



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Employees who are part of Supply Chain Management (“SCM”), which includes select employees from Operations, Procurement, Logistics, Production, R&D, and Finance, who interact with vendors, are involved in the vendor qualification process. These employees, and their respective managers, adhere to the Company’s Internal Compliance and Ethics Guidelines, and are often subject to additional ethical responsibilities and Codes of Conduct as part of their respective professional bodies. Upon learning of any alleged or prospective forced or child labour violations, these SCM employees would raise the issue to the Executive Leadership Team (ELT) to be handled accordingly.

Addressing Forced and Child Labour in our Supply Chains and Business

Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

Dejero has a number of corporate policies and processes to ensure the Company is in compliance with all laws and regulations, is managing risk appropriately, and upholds the highest level of Corporate Social Governance. As the Company grows, and the global geopolitical, legal, and environmental landscapes change, so do the Company’s policies and processes to adapt to these changes. The Company had the following policies and processes in place during the year ended December 31, 2024, which are currently being updated to specifically address various aspects related to forced labour and child labour and address specific requirements of the Act. The Company has hired a professional third-party in 2024 to identify gaps in the current policies and develop recommendations and next steps. The Company has begun implementing new procedures throughout 2024 to address them.

- **Employee Code of Conduct**

Dejero employees are expected to uphold Dejero’s business practices, our core values, and maintain a respectful and safe work environment throughout the course of their employment by conducting themselves in an ethical and professional manner. We believe it is a shared responsibility of all Dejero employees to work towards the constant improvement of our workplace. It is important to exercise good judgment and common sense, and always consider the need to protect the confidentiality and reputation of Dejero and of Dejero’s customers. This code of conduct should be upheld at all times including, but is not limited to, when working in the office or in a remote office, attending trade shows, when working with customers, and interacting with coworkers.

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- **Human Rights Code of Conduct**

Within Dejero's Workplace Violence, Harassment, and Sexual Harassment Policy as well as the Accessibility Policy and Program Policy includes Dejero's commitment to respecting internationally recognized human rights standards, including addressing and combatting forced labour and child labour.

Dejero is currently implementing mandatory training for all employees making contracting or purchasing decisions on the organizations' policy and responsibility to respect human rights and the key human rights issues related to Dejero.

- **Grievance mechanism**

Dejero has an anonymous form which is reported to the Chief People Officer, who escalates issues as needed.

Dejero implemented a Whistleblower Policy, which includes a section for employees to identify any potential co-workers or suppliers that may not be following forced labour and child labour laws.

- **Risk Mitigation and Control Program**

Dejero has a comprehensive risk management process and framework whereby overall risks are identified, rated and ownership assigned. Each risk has an associated number of mitigating controls to support the management of the risk. A risk review is conducted with each team on a scheduled periodic basis. For all risks identified, management determines the appropriate path to address the risk – accept, mitigate, avoid, transfer and retire. For any forced labour and child labour risks identified, management would elect to mitigate the risk, and implement appropriate controls to achieve this outcome. The operational effectiveness and design effectiveness of the controls are measured on an annual basis. For the reporting period ended December 31, 2024, Dejero did not have any risks identified relating to forced or child labour across our supply chain.

In 2024, Dejero, with the assistance of a third-party, completed a detailed risk assessment of the potential risks and gaps across the Dejero supply chain. During 2024, Dejero has begun to incorporate these risks and gaps into our risk management plan and is working on improving processes to close these gaps.

- **Compliance with Laws, Rules, and Regulations**

Employees are required to adhere to the laws, rules and regulations that govern Dejero business, including but not limited to, the applicable laws and regulations of their province, state, region, and country prohibiting insider trading, bribery, and improper payments.



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- **Vendor Qualification Procedure**

Prior to being listed as an approved Dejero supplier, the Company completes a supplier qualification checklist. As discussed above, various departments are responsible for the completion of the checklist. Included within this checklist for 2024 is a review of forced labour and child labour which includes specific due diligence procedures to address this risk in the supply chain. All new vendors will be required to be compliant with the checklist. The Company will also create a roadmap to re-certify existing suppliers, by tiers, based on risk and significance in the Company's supply chain.

- **Corporate Performance Review ("CPR")**

On a monthly basis the senior leadership team of the Company meets to discuss each business department's objectives and key results, as well as select KPIs. As part of these monthly meetings the Production and Supply Chain Management team provides an update, and if identified would discuss any instances of forced labour or child labour in the supply chain, as well as remediation and next steps with the broader senior leadership team. To date there have been no instances, or suspected instances of forced labour or child labour in the supply chain.

Forced Labour and Child Labour Risks

Although there is a potential risk of forced labor and child labor in the supply chain due to the numerous companies involved in producing component parts and their geographic distribution, Dejero is diligent in partnering with companies that maintain high standards of Corporate Governance and ESG practices.

Outside of the reporting period, a third-party assisted Dejero in conducting an inherent risk assessment covering operational activities and a sample of Tier 1 suppliers procured between January 1, 2024 and December 31, 2024. The methodology utilized by the third-party analyzes data based on country risk, industry risk, and industry controversy.

The potential inherent risk levels related to Forced Labour and Child Labour risks do not consider any specific due diligence or governance measures implemented by Dejero or individual suppliers. The defined risk levels range from high to low, indicating varying degrees of potential risk.

Following the inherent risk assessment, only one operational activity was identified as having a medium-high potential inherent risks related to Forced Labour and/or Child Labour within the transportation and warehousing sector.

Furthermore, some suppliers were identified as medium-high potential risk for Forced Labour and/or Child Labour associated with the following sectors for Dejero and its subsidiaries:

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Table 2 Potential Medium-High Inherent Risk Suppliers for Forced Labour and Child Labour by NAICS (2022) Sector for Dejero and its Subsidiaries within their Supply Chain

Potential medium-high inherent risk level sectors for Forced Labour and Child Labour
Manufacturing
Administrative and support, waste management and remediation services
Information and cultural industries
Professional, scientific and technical services

Remediation Measures

The Company did not identify any instances of forced labour or child labour in our activities or supply chains during the period ended December 31, 2024, however, we have recognized potential inherent risks in these areas which are now under further evaluation.

We recognize that efforts to prevent and reduce the risks of Forced Labour and Child Labour can unintentionally lead to loss of income for the most vulnerable families. To date Dejero is not aware of any instances where its risk mitigation efforts related to Forced Labour or Child Labour in its activities and supply chains have resulted in income loss for vulnerable families.

In the event that the Company becomes aware of a potential or confirmed presence of forced labour or child labour in its supply chains, the Company will take appropriate actions to address this behaviour. The Company will investigate the alleged presence, and upon confirmation, take the appropriate remedial measures, including ceasing, preventing or mitigating any adverse impacts in line with the Act.

Training

All employees are trained on and attest to the fact that they are to conduct themselves in accordance with our code of ethics and with all legislation. This includes conducting themselves in a manner that is free from any illegal or damaging actions. Employees understand that should they unknowingly or knowingly engage in any illegal behaviour through the course of their work or interactions with coworkers, customers, vendors, etc., their actions will be subject to disciplinary actions. Dejero takes its legal responsibilities very seriously and has ingrained that responsibility into our values as an organization.



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Monitoring and Compliance

For the year ended December 31, 2024, all programs discussed above operated as intended, with no significant deficiencies. Furthermore, through the operation of these programs, no instances of forced labour child labour were identified. As the Company continues to make the controls, processes, and policies related to forced and child labour more robust, additional KPIs and measurement will be put in place to monitor compliance. The Company has initiated discussions with a third-party to develop, implement and measure these new controls and processes.

Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Dejero Labs Inc. In accordance with the requirements of the Act, and in particular section 11 thereof, I 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 the Report is true, accurate and complete in all material respects for the purposes of the Act, for the year ended December 31, 2024. I have the authority to bind Dejero Labs Inc.

Signed by:

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Lisa Melchior

Board Chair

May 23, 2025

DocuSigned by:

EA96734607764FE...
Bruce Anderson

CEO & Member of the Board

May 23, 2025