

## **SYLOGIST LTD.**

### **Supply Chain Due Diligence Report 2023** *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

#### **A. Introduction**

Canada's new supply chain transparency law (the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**")) came into effect on January 1, 2024. The Act aims at preventing and reducing the risk of forced labour and child labour in supply chains. The Act requires that certain entities submit an annual report (the "**Report**") to the Minister of Public Safety by May 31 of each year detailing the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chain. The Report must also be provided to the reporting entity's shareholders. On December 20, 2023, the Government of Canada published guidance on how an entity can comply with the Act.

This Report is made solely by Sylogist Ltd. ("**Sylogist**" including all references to "**us**," "**we**," "**our**" and the like), pursuant to the Act. This Report constitutes our forced labour and child labour reporting statement for the financial year ending December 31, 2023.

#### **B. Steps taken to prevent and reduce risks of forced labour and child labour**

We took the following steps during 2023 to respond to forced labour and child labour risks in our supply chain:

- undertook to comply with the Act and follow the Government of Canada's guidance, consistent with our governance practices, including our Code of Business Conduct and Ethics for directors, officers, and employees of Sylogist (the "**Code**");
- engaged external legal counsel to assess the legislative framework and provide advice concerning our reporting obligations under the Act;
- reviewed the reporting guidance published by the Government of Canada on December 20, 2023; and
- ensured we provided our Code of Business Conduct and Ethics Policy to all of our employees and discuss it during the onboarding process.

Other than the foregoing undertaking for review and reporting purposes, no information is available for the 2023 reporting period regarding steps taken to reduce the risk of forced labour or child labour risks.

#### **C. Structure, Activities and Supply Chains**

##### **Structure**

Sylogist is a corporation incorporated under the *Business Corporations Act* (Alberta) (the "**ABCA**") with its head office located in Calgary, Alberta and has regional offices across Canada, the United States, and the United Kingdom. Sylogist is the sole shareholder of Sylogist (UK) Limited, a company incorporated under the laws of England and Wales, and Sylogist USA Inc., a company incorporated under the laws of Delaware, U.S.A. which is the parent company of the four companies fully-owned by Sylogist USA Inc.: SylogistServices, Inc., a company incorporated under the laws of Washington, U.S.A.; SylogistMission, Inc., a company incorporated under the

laws of Delaware, U.S.A.; SylogistGov, Inc., a company incorporated under the laws of Delaware, U.S.A.; and SylogistEd, Inc., a company incorporated under the laws of Oklahoma, U.S.A.

As of the date hereof, the Board of Directors of Sylogist (the “**Board**”) is composed of eight members, seven of whom are independent. The Board maintains three standing committees: the Audit Committee; the Compensation Committee; and the Nominating and Governance Committee.

## **Activities**

Sylogist is a software-as-a-service (“**SaaS**”) provider of enterprise resource planning, customer relationship management and other mission critical business administration software solutions to public-service organizations that operate in the non-profit, non-governmental, public school administration, and local and municipal government market segments.

As at December 31, 2023, Sylogist and its subsidiaries had a combined workforce of approximately 200 full-time employees in Canada and the United States, most of whom work remotely. Our staff largely consists of individuals working in management, technical and project delivery roles, as well as other key workstreams in the information technology industry.

## **Supply Chains**

As a software provider, Sylogist does not extensively operate in an industry, nor have an extensive range of local or international suppliers, where in each case modern slavery or human trafficking would be a material risk.

A division of Sylogist sells technological hardware which is primarily purchased from suppliers domiciled in Canada, and the revenue from these hardware sales is considered immaterial for Sylogist’s overall revenue and business. Pursuant to this division’s operations, Sylogist periodically sells internally manufactured tablets which requires the purchase of component parts which may originate or be manufactured, in whole or in part, offshore. To date, we have not conducted an audit or inquiry of our supply chains to further delineate the direct and indirect sources of our supply chains. We are fully committed to ensuring prevention of slavery and human trafficking in our corporate activities by promoting transparency in our organization and throughout our supply chain.

Our supply chain consists of:

- predominantly suppliers of products and services used, incorporated into, or sold alongside our own product and service offerings (including facilities providers; software development; support service providers; cloud service providers; information technology service providers; information and communication technology hardware; and to a minor extent, manufacturers of printers, scanners, desktop and laptop computers, routers, servers and associated items);
- suppliers of products and services for catering, travel providers and hospitality services; and
- professional services of various advisors, including external law firms, tax advisors, accountants, and professional advisory service firms.

## **D. Policies and Due Diligence Processes**

Sylogist's reputation for honesty and integrity has been earned by maintaining the highest standards of business ethics in all our interactions with our co-workers, governments, local communities, shareholders, customers, suppliers, competitors, and the public. Our staff and suppliers play an integral role in ensuring that we carry out all business activities in an ethical and responsible manner.

We have not yet implemented formal policies relating to forced labour and child labour risks as we have not identified any such instances of forced or child labour in our activities or supply chain. We are committed to ethical business practices and have in place our Code which requires the directors, officers and employees of Sylogist to conduct business in a way that is fair, ethical and honest and in compliance with all applicable laws and regulations.

### **Board Oversight**

Our Board provides oversight on corporate governance practices to ensure that Sylogist operates at all times within applicable laws and regulations and to the highest ethical and moral standards and will alter such practices when circumstances warrant. The Board is responsible for monitoring compliance with the Code and for regularly assessing its adequacy.

### **Diligence Process**

In 2023, we did not identify any instances of forced labour or child labour in our activities or supply chain, and as a result we did not implement any due diligence processes in relation to forced labour and child labour.

## **E. Forced Labour and Child Labour Risks**

We recognize that all matters that may pose a risk to the business, including forced labour and child labour, must be monitored and addressed, and that these risks can evolve into business risks.

Risk management is the responsibility of the management team, the Board, and various Board committees. Our risk management process includes establishing policies and procedures to identify, assess and manage principal risks of the business. Our management team regularly meets to discuss and assess business risks and updates the Board and/or the applicable committee quarterly on any new risks they have identified. This allows Sylogist to continually adjust and review its policies and procedures at regular intervals and adjust such policies and procedures to address evolving risks and requirements.

As our workforce is primarily composed of remote office workers, the vast majority of whom are located in Canada or the United States, we consider that there is low risk of forced labour or child labour in our direct operations.

## **F. Remediation Measures**

In 2023, we did not identify any instances of forced labour or child labour in our activities or supply chain. Therefore, we did not undertake any measures to remediate any forced or child labour.

Our whistle blower policy is an anonymous way for our employees to share their concerns about how we conduct our operations, including any concerns that Sylogist, its staff or its suppliers are not complying with applicable law or policies.

**G. Remediation of Loss of Income**

As we did not identify any instances of forced labour or child in our activities or supply chains in 2023, we have not taken any measures to prevent or reduce any loss of income to vulnerable families because of efforts to prevent or reduce the risk of forced labour or child labour.

**H. Training**

It is important to us that our employees are aware of the issues surrounding modern slavery and support our values. We intend to work with relevant employees to reinforce any steps that should be taken to remind them of the channels through which any concerns can be reported.

**I. Assessing Effectiveness**

Currently, Sylogist has not implemented any formal program for assessing the effectiveness of its policies or practices. However, we are committed to developing policies and procedures to address modern slavery and create a robust diligence process for all suppliers and contractors.

Preventing and addressing modern slavery risks in our operations and supply chains is an ongoing process. Sylogist is committed to conducting its business in a manner that respects and adheres to human rights, including by prohibiting modern slavery and human trafficking. We expect all Board members, officers, staff, and suppliers to adhere to these principles. Sylogist will continue to act ethically and with integrity in our operations.

**J. Approval and Attestation**

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 for the entity or entities listed above. 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 reporting year listed above.

I have the authority to bind Sylogist Ltd.



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William C. Wood  
President and Chief Executive Officer  
May 28, 2024

**RESOLUTIONS OF THE BOARD OF DIRECTORS  
OF  
SYLOGIST LTD.**

(the “Corporation”)

The following resolutions, signed by all of the directors of the Corporation, are hereby passed pursuant to the provisions of the *Business Corporations Act* (Alberta):

**Supply Chain Due Diligence Report 2023**

**WHEREAS:**

- A. The Corporation has prepared a joint report (the “**Joint Report**”) for the year ended December 31, 2023 under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”) on behalf of the Corporation, Sylogist (UK) Limited, Sylogist USA Inc., SylogistServices, Inc., SylogistMission, Inc., SylogistGov, Inc. and SylogistEd, Inc. (collectively, the “**Entities**”).
- B. The Corporation controls each of the Entities for purposes of the Act.
- C. In accordance with the requirements of the Act, the directors wish to approve the Joint Report pursuant to Section 11(4)(b)(ii) of the Act.

**RESOLVED THAT:**

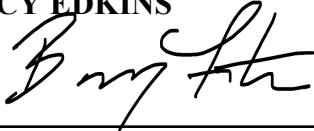
- 1. The Joint Report is hereby authorized and approved in the form presented to the directors.
- 2. Any one director of the Corporation is authorized and directed, for and on behalf of the Corporation, to execute the Joint Report.
- 3. Any director or officer of the Corporation is authorized and directed, for and on behalf of the Corporation, to file the Joint Report and to take any and all such further action as such director or officer, in such director’s or officer’s sole discretion deems necessary or desirable in furtherance of the Entities’ reporting obligations under the Act.
- 4. These resolutions may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one instrument. Delivery of an executed counterpart of these resolutions by facsimile or transmitted electronically in legible form, including without limitation in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of these resolutions.

**[Signature Pages Follow]**

DATED effective May \_\_\_\_, 2024.



TRACY EDKINS



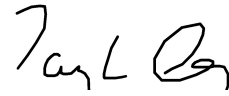
BARRY FOSTER



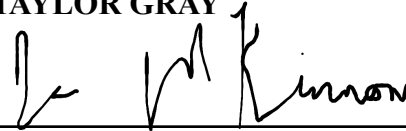
ERROL OLSEN



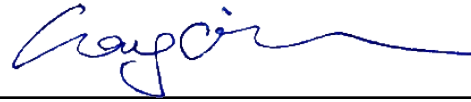
ANDREA WARD



TAYLOR GRAY



IAN MCKINNON



CRAIG O'NEILL



WILLIAM C. WOOD