

I Modern Slavery Report for Fiscal Year 2023

The following report is prepared pursuant to **Bill S-211**, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. The report outlines the initiatives and steps taken by AGAT Laboratories Ltd (AGAT) to identify and address the risks forced labour and child labour has in its business operations and supply chains for the year. AGAT believes in the unwavering commitment to human rights, and AGAT takes pride to ensure that human rights and freedoms are honoured throughout its corporate activities and business relationships.

Group Structure

A Canadian-based company, AGAT Laboratories Ltd. was established in 1979 in Alberta. AGAT has its head office located at 2905, 12st NE, Calgary, Alberta

AGAT Laboratories Ltd. is a privately owned organization.

Supply Chain

AGAT is committed to upholding human rights and ethical standards throughout its supply chain. We recognize the importance of combating forced labour and child labour, and we are dedicated to ensuring that our products and services are not associated with these egregious practices. Suppliers who are found to be in violation will immediately cease to do business with AGAT.

AGAT purchases equipment and analytical supplies from over 1,300 vendors. The majority of equipment and supplies are sourced from distributors located in Canada and the United States. A small amount of analytical consumables is sourced directly from China.

Risks identified in AGAT's Supply Chain

As a professional Laboratory, AGAT's most significant risk is in the procurement of consumable supplies required to run laboratory analysis for our clients.

AGAT does some small scale Importation of laboratory analytical supplies from China. This accounts for less than one percent of overall purchases each fiscal year.

The majority of AGAT's purchases are done through distributors. However, the equipment and supplies may have been sourced from outside Canada which poses a risk.

Actions Taken

AGAT takes pride to ensure that human rights and freedoms are honored throughout its supply chain and that no Supplier shall use any form of forced labor, including slavery, servitude, human trafficking, or any form of compulsory labor.

All vendors are required to acknowledge and sign off that they understand AGAT's policy on forced and child labour. Additionally, all vendors are asked for their policy on how they screen, assess, and respond to forced or child labour.

All AGAT Employees are required to acknowledge and agree to AGAT's Forced and Child Labour in Supply Chain Policy. Employees are prompted at intervals to re-read and agree to agree to the policy.

Critical vendors are vetted by a Quality Assurance Team to ensure they meet or exceed accredited laboratory specifications. They are additionally vetted to ensure they comply and agree to AGAT's Forced and Child Labour in Supply Chain Policy.

Remediation

AGAT conducts thorough assessments of its suppliers to evaluate their compliance with this policy. Suppliers are required to certify that they do not use forced labor or child labor in their operations.

We regularly monitor and audit our suppliers' facilities to verify compliance with our standards. These audits may include on-site inspections, interviews with workers, and reviews of employment records.

AGAT Staff must procure supplies from Approved Vendors who have been vetted by our Quality Assurance Staff, and who have a good track record of ethical working conditions. Requisitions to vendors who pose a risk are rejected and redirected to trusted vendors within the approved vendor list.

In the event that forced labor or child labor is identified within our supply chain, AGAT will work with the supplier to implement corrective actions. These may include providing training, improving working conditions, or terminating the business relationship if necessary.

An open door policy and an Escalation Portal is also available for employees to voice any concerns in regards to any vendors they feel may require review or attention.



Training

AGAT encourages all staff to be vigilant to identify when there is a potential for Child or slave labour in the supply chain. Employees are trained to look for indicators for potential of unethical labour practices. This includes but is not limited to:

- Origin of supplies
- Pricing practices
- Reluctance to interact with AGAT Employees
- Substandard working conditions of suppliers

Procurement Staff are also required to attend relevant training courses to help identify and mitigate forced and child labour. AGAT provides funding and time off to attend training.

Effectiveness Assessment

AGAT is aware that a review and assessment of actions used to address forced labour and child labour is required and will be ongoing in order to be effective. Key Performance Indicators (KPIs) are being developed to determine the effectiveness of ongoing and new policies used to mitigate risks in the supply chain.

These KPI's include:

- % of procurement employees receiving training course on modern slavery
- # of suppliers who have been flagged with potential risk.
- % of suppliers who have acknowledged the AGAT Forced & Child Labour in Supply Chain Policy.
- % of suppliers who have had negative remarks on the AGAT Forced & Child Labour in Supply Chain Policy.
- # of Vendors who are based in locations who have had a history or have questionable labour standards.

Signed,

Marissa Reckmann
Chief Executive Officer

Governance

AGAT Recognizes the importance in addressing modern slavery across its operations. The accountability for modern slavery resides with the Vice Presidents and Chief Executive Office of the company. The board is responsible for ensuring the framework is satisfactory in identifying risks in the supply chain as it relates to modern slavery.

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the Fiscal Year 2023. It has been issued on behalf of AGAT Laboratories Ltd, and approved by the Chief Executive Officer.

“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.”

KELVIN LAM
CORPORATE CONTROLLER

May 29, 2024



I have the authority to bind AGAT Laboratories Ltd.