

Automation Tool Company Report Prepared Pursuant to Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

1. Introduction and Identity

This report (the "**Report**") constitutes the report of Automation Tool Company ("**ATC**", the "**Company**", "**our**", "**us**" and "**we**") for the financial reporting year ended December 31, 2023 (the "**Reporting Period**"), and sets out the steps taken to prevent and reduce the risk that forced labour and child labour was used at any step in the production of goods in Canada or elsewhere or of goods imported into Canada.

This Report has been prepared and filed pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**").

2. Steps Taken During the Reporting Period to Prevent and Reduce Risks of Forced Labour and Child Labour

ATC and its subsidiaries are committed to responsible sourcing and to the prevention of forced labour and child labour in its supply chain.

This Report sets out the actions taken to prevent and reduce the risk that forced labour and/or child labour was used by the Company or in its supply chains during the financial year ended December 31, 2023.

3. Structure, Activities and Supply Chains

ATC provides design, fabrication, build and integration of custom assembly and test solutions and systems for a variety of industries, including the transportation, life science and consumer industries. ATC, a Tennessee corporation, is located in Cookeville, Tennessee, USA, and has approximately 280 employees. ATC does not have any entities or physical operations in Canada, but it does have customers and limited sales in Canada. Sales into Canada were approximately 0.5% of ATC's total revenue for the reporting period.

ATC sources materials, goods and equipment primarily from large, established suppliers through a dedicated procurement function. The types of materials, goods and equipment sourced by ATC include, without limitation, robotics, material joining systems, material delivery devices, testing instrumentation, dispensing systems, vision systems, and actuators.

4. Policies and Due Diligence Processes

The Company has policies and procedures in place, including our Code of Business Conduct and Supplier Code of Conduct, to ensure ethical business

practices and compliance with applicable law by our employees, suppliers and other business partners.

The Code of Business Conduct requires ATC employees to comply with all laws in the jurisdictions in which ATC does business, which would include those laws regarding the use of labour. Any activity in violation of such laws may result in disciplinary action, up to and including termination of employment.

Further, the Company encourages openness and maintains a business conduct hotline through which employees may confidentially raise any concerns they may have, including any concerns about forced labour or child labour within the Company's supply chain.

The Supplier Code of Conduct outlines ATC's minimum expectations with regard to the business conduct practices of our suppliers. With regard to child labour and forced labour specifically, our Supplier Code of Conduct provides that child labour and forced or involuntary labour is prohibited and identifies the following minimum expectations:

- Suppliers may not employ anyone below age 15 except as part of a government sponsored training or apprenticeship program;
- Suppliers must allow employees the choice to leave their employment upon reasonable notice; and
- Suppliers must not participate in human trafficking or slavery and must not purchase materials or services from companies that use forced labour or participate in human trafficking or slavery.

ATC's standard terms and conditions of purchase require the supplier to comply with all applicable laws and with our Supplier Code of Conduct. These documents allow us to terminate our relationship in the event of a breach by the supplier.

5. Forced Labour and Child Labour Risks and Steps Taken to Assess and Manage These Risks

ATC's operations are exclusively in the United States and our employees receive a fair and competitive wage for their work, so we consider the risk of forced labour or child labour in our operations to be minimal. ATC recognizes that the risk of forced labour or child labour is likely greater in our supply chain compared to our operations, but we have not yet commenced a formal process to identify this risk in our supply chain. We have implemented the policies and procedures described above to mitigate this risk.

6. Remediation Measures

The Company has not identified any instances of forced labour or child labour in our activities or supply chain, and, therefore, did not implement any remediation measures during the reporting period.

7. Remediation of Loss of Income to the Most Vulnerable Families

The Company has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour risks in our activities or supply chain. Accordingly, ATC did not take any measures to remediate loss of income.

8. Training

The Company's Code of Business Conduct is distributed to all ATC employees upon hire. Employees other than production employees are required on an annual basis to certify adherence to the policies set forth in the Code of Business Conduct, and the Company also provides training to these employees with respect to the Code of Business Conduct. The Company does not currently conduct training specific to the prevention of forced labour and child labour in our supply chain.

9. Assessment of Effectiveness

At the present time ATC does not have a program in place to assess its effectiveness in preventing the use of forced labour and child labour in our supply chain.

10. 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 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 purposes of the Act, for the reporting year listed above.

Date: May 30, 2024

Name: Kevin Hansell

Title: Chief Executive Officer and Director

Signature: *Kevin Hansell*

I have authority to bind Automation Tool Company.

This Report was approved pursuant to Section 11(4)(a) of the Act by the Board of Directors of Automation Tool Company on May 29, 2024.