



NATT Tools Group Inc. & Subsidiaries

2023 Forced and Child Labour Joint Report

2023 Forced and Child Labour Report

This report (the "Report") is made on behalf of NATT Tools Group Inc. ("NATT" or the "Company") and Subsidiaries (defined below) (collectively, hereinafter VENANPRI Group), pursuant to Section 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") covering our most recently completed fiscal year which ended December 31, 2023. This report outlines the measures implemented to prevent and mitigate the risk of forced labour or child labour being used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by VENANPRI Group.

INTRODUCTION

We acknowledge our responsibility to combat forced and child labour and are committed to acting ethically and with integrity and transparency. We are working to put systems and controls in place to safeguard against any form of forced or child labour taking place within the business or our supply chain.

At VENANPRI Group we are committed to upholding the highest ethical standards in all aspects of our business operations, including our supply chains. We recognize the serious issues of forced and child labour that persist in global supply chains and are dedicated to combating these practices. This report outlines our efforts to address forced and child labour within our supply chains and our ongoing commitment to driving positive change.

OUR BUSINESS

NATT Tools Group Inc. is a Canadian company owned by a group of Canadian resident investors and a group of ONCAP investment funds. The latter is affiliated with ONEX Corporation, a Canadian public company.

VENANPRI Group, operates in the market under and leading brands including Bellota, Corona, Trinity, Ingersoll and Burgon & Ball.

The organizational structure of the VENANPRI Group consists of manufacturing and processing facilities along with sales, distribution and service entities. VENANPRI Group operates two business divisions: the AgriSolutions division and the Hand Tools division.

The Hand Tools division designs, manufactures, sources and commercializes the highest quality tools for Construction, Agriculture and Gardening, and has a leadership presence in different markets in North America, Europe, Latin America, Africa and Asia. The AgriSolutions division is a global leader in consumable agricultural products. This division also has a global and strategic presence in the main markets worldwide.

VENANPRI Group is a global leader in consumable agricultural products and a regional leader in the hand tools market. VENANPRI Group has strong revenue diversity in terms of customers, products, geography, brands, etc.

The Group has a global presence and benefits from a strong position in several high-growth emerging markets. This was achieved due to the geographic expansion efforts that were undertaken, the development and adaptation of products, the maintenance of high-quality standards as well as brand creation.

VENANPRI Group distributes its products to national wholesalers and retailers, among others, and its revenues are well diversified, with some clients being the key players in their industry.

STRUCTURE

VENANPRI Group companies doing business in Canada are as follows (collectively, the "Subsidiaries").

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Bellota Agrisolutions & Tools USA LLC	US.	Manufacturing and distribution of agricultural spare parts
Corona Clipper, Inc.	US.	Distribution of Hand Tools
Bellota México, S.A. de C.V.	México	Manufacturing and distribution of Hand Tools
Bellota Herramientas, S.L.U.	Spain	Manufacturing and distribution of Hand Tools
Bellota Agrisolutions, S.L.U.	Spain	Manufacturing and distribution of agricultural spare parts
Burgon & Ball Limited	UK	Manufacturing and distribution of Hand Tools
Trinity Logistic Corporation	USA	Distribution
Natt Tools Group Inc	Canada	Manufacturing and distribution of agricultural spare parts
C. Sulberg Agrisolutions GmbH	Germany	Manufacturing and distribution of agricultural spare parts
AgriSolutions Wear Technologies Corp.	US	Manufacturing and distribution of agricultural spare parts
Chicago Fasteners Manufacturing, LLC	US	Manufacturing and distribution of agricultural spare parts

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OUR SUPPLY CHAINS

Our supply chains are extensive and global, encompassing multiple industries and regions, and choose to establish strategic, long-term, and transparent relationships and to engage with all suppliers in an ethical and socially responsible way. We source raw materials, components, and finished products from suppliers around the world, which presents both opportunities and challenges in ensuring that our products are produced under fair and ethical conditions.

We value long-term relationships with our suppliers. Our supplier base is all round the world, predominantly in US, Europe, India, China, and a small number of other Asian countries. The finished products we source include both product and packaging.

We recognize there are some component elements of our products that our suppliers may outsource to a third party. We are in the process of assessing this risk and evaluating best practice. As such, in the last financial year, some companies have created a new ESG Manager role (environment, social and governance) to work with our suppliers and our Venanpri Asian sourcing teams to communicate our Company values and expectations with regards to our Supply Chain. We are proactively helping our Suppliers where required to meet and exceed our standards.

POLICIES AND DUE DILIGENCE PROCESSES

We take an active role in ensuring that our suppliers respect human rights and prevent violations and take efforts to combat forced and child labour. Our Manager of Materials & Logistics is responsible for ensuring that our suppliers meet our expectations on all issues surrounding forced labour and child labour. While not currently in place in all the companies, our Supplier Code of Conduct will be disseminated to all suppliers, and they will be required to adhere to it.

We are committed to working with current and prospective suppliers to ensure a clear understanding and appreciation of the values and provisions of the new Supplier Code of Conduct and ethical business practices. Commencing Q3 2024, a Supplier Qualification Questionnaire must be completed and returned in conjunction with a signed copy of the Supplier Code of Conduct. We have a pre-employment background check, including age verification, for candidates before hiring to prevent child labour in our own operations.

We will develop and conduct supplier assessments and audits to ensure compliance with the Supplier Code of Conduct. We will support our suppliers' efforts to meet the standards through dialogue and cooperation. Suppliers who do not meet the requirements in the Supplier Code of Conduct will need to take the necessary corrective actions and demonstrate progress. If suppliers are unwilling or unable to carry out corrective actions, we reserve the right to terminate the business relationship and any agreements with suppliers immediately.

1. Supplier Code of Conduct

Our Supplier Code of Conduct will help ensure that all business partners, suppliers, and manufacturers meet our basic expectations of conducting business, including in relation to forced and child labour. We expect all suppliers to comply with the Code that forms part of all agreements between VENANPRI Group and suppliers. Suppliers must comply with all laws and regulations applicable to their own operations. Any unlawful or prohibited conduct, inclusive of forced labour or child labour, will not be condoned.

The Supplier Code of Conduct addresses issues of forced labour and child labour, setting forth the following

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requirements:

- Not to accept, use, or benefit from modern slavery of any kind, including forced labour and child labour.
- Not to employ individuals under the age of 18; and
- Respect human rights as defined in the Universal Declaration of Human Rights and International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at work.

2. Business Code of Conduct

Our Business Code of Conduct is intended to establish value-based guidelines for how we interact with stakeholders, internal and external to our operations. This policy includes guidelines on topics such as business ethics as well as considerations on Environmental, Health, and Safety (EHS).

3. Catalog of Prohibited Conducts

Our Catalog of Prohibited Conducts expressly mentions the prohibition of “Offences against the rights of workers and foreign citizens.”, and to carry out a job without the required and necessary safety items for the prevention of occupational hazards and safety and health at work.

4. Whistle Blower Policy

We have established a whistleblowing process within our Business Code of Conduct, reporting the various forms of misconduct, including concerns related to workplace harassment and safety. This reporting mechanism is accessible to all VENANPRI Group employees and allows for anonymous submissions and the treatment of complaints.

The Code of Conduct (and consequently the information related to the Whistleblowing Channel), is also available in our website.

We focus on forming and maintaining transparent and collaborative relationships with suppliers. We have established an internal audit program to assess health, safety, and environmental progress for our operations. Our internal quality team conducts onsite audits to ensure that the facilities are up to standard from a safety perspective and that the relevant ISO certificates are in place.

5. Internal Audit.

VENANPRI Group has appointed a Compliance Officer, who ensures integrity and agreement with the internal compliance program.

FORCED LABOUR AND CHILD LABOUR RISKS

We understand the potential risks of forced and child labour within our supply chains and have conducted thorough risk assessments to identify high-risk areas and suppliers. These assessments include factors such as the prevalence of forced and child labour in specific industries and regions, as well as the effectiveness of local labour laws and enforcement mechanisms.

The risks are primarily related to the industry we operate in, the types of products we produce, sell, distribute or import, the locations of our activities and operations, raw materials, finish product or commodities used in our supply chains, and our tier one suppliers.

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VENANPRI Group believes that establishing long term and trusted business relationships with business partners and suppliers will enhance overall performance. We will continue to proactively collaborate with all business partners to assess, prevent, and address any risk of forced and child labour in shared supply chains.

We intend to continuously expand and refine our efforts to identify and prevent forced and child labour risks in our supply chains in 2024 and beyond. Based on risk assessments, we understand that regions, including country of origin have a direct impact on risk profile.

We do not directly supervise or control our sub suppliers (tier 2+). In many instances we do not have any significant level of visibility for these sub suppliers. While we actively encourage our tier 1 suppliers to monitor sub suppliers with a zero tolerance for forced and child labour, we recognize this area as the highest risk within our complete supply chain. We will focus effort to expand our influence directly with tier 2 suppliers.

REMEDIATION MEASURES

As per the Whistleblower Policy, all VENANPRI Group employees have the responsibility of ensuring their own behavior is appropriate and reporting any incidents they become aware of.

As well as the Whistle Blowing process as part of the VENANPRI Group Code of Conduct, we undertake a number of additional initiatives to assess risk and compliance from our Supplier partners:

1. Team Visits
 - Members of the VENANPRI Group Team visit our key suppliers on a regular basis.
 - This is important to reinforce VENANPRI Group's commitment to our ESG strategy and includes zero tolerance of any forced labour or child labour anywhere in our Supply Chain.
2. VENANPRI Group Sourcing Team Inspections
 - Our VENANPRI Group] sourcing teams based in India and China visit and inspect Suppliers on an annual basis or if the Company requests a visit.

VENANPRI Group did not identify any forced labour or child labour in its activities and supply chains in 2023 and thus has not taken measures to remediate any forced labour or child labour nor the loss of income of the most vulnerable families that results from any measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. ¹

TRAINING

VENANPRI Group does have a formal training program to employees focused on our Compliance Program. Consequently, all employees must sign the VENANPRI Group Code of Conduct annually which has a clear commitment to the Universal Declaration of Human Rights adopted by the United Nations and the European Convention for the Protection of Human Rights and Fundamental Freedoms.

We do focus on our Purchasing Team to ensure they understand our policies and processes regarding ESG including forced labour and child labour.

Every new staff member on the supply chain team must complete training on our values, Code of Conduct, Catalog of Prohibited Conducts and other internal rules, as well as on how to report issues of concern using

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the whistleblowing reporting tool.

ASSESSING EFFECTIVENESS

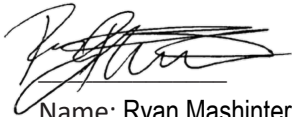
We are committed to corporate transparency and responsible supply chains.

NATT Tools Group Inc. will use the Ecovadis assessment platform to evaluate our sustainability performance across multiple Environmental Social Governance (ESG) criteria and will encourage our suppliers to submit the Ecovadis questionnaire to help us understand their strengths and areas of improvement.

We recognize the importance of maintaining constant vigilance to identify and address any instances of forced and child labour throughout our business and supply chains. We will review the progress and effectiveness of our programs in combating forced and child labour on an annual basis.

STATEMENT OF APPROVAL

This report is made pursuant to section 11 of the Act and constitutes a joint report of NATT and the Subsidiaries for the financial year ending on December 31, 2023. It was reviewed and approved by the board of directors of NATT Tools Group Inc. on its behalf and on behalf of each of the Subsidiaries on May 30, 2024 pursuant to paragraph 11(b) (ii) of the Act.



Name: Ryan Mashinter

Title: Director

I have the authority to bind NATT Tools Group Inc.