

Atlas Machinery Supply Ltd.

Forced Labour and Child Labour in Supply Chains Company
Assessment

May 31, 2026

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Introduction

Established in 1954, Atlas Machinery Supply Ltd. ("Atlas") was founded in Toronto, Ontario by Joseph Ederman. For the last 70 years, Atlas has been in the business of selling machinery, power tools, hand tools and related accessories.

Atlas has two (2) locations in the Greater Toronto Area. A retail store located at 871 Islington Avenue in South Etobicoke and a flagship facility located at 111 Creditview Road in Vaughan which includes a large warehouse, head office, staff areas, café, and retail showroom.

Growing sales, amazing employees, a strong culture, and laser focus on the Atlas Experience has allowed the company to invest significantly in recent years in its people, technology, infrastructure, and industry leading sales events.

As a retailer, dealer and partner of well-known brands that include DeWalt, Milwaukee, Makita and Bosch, Atlas is proud to serve business and residential customers alike with the best selection, knowledge and service of tools and machinery in the industry.

This report is Atlas Machinery Supply Ltd.'s response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act) for the financial year ending June 30, 2025. The reporting entity covered by this statement is Atlas Machinery Supply Ltd.

For the purposes of the Act, Atlas meets the entity definition by having a business in Canada, doing business in Canada and meeting two of three threshold criteria (i.e., revenue and assets).

Structure, Activities & Supply Chain

Structure

Atlas Machinery Supply Ltd. is a corporation incorporated under the laws of the Province of Ontario by Certificate and Articles of Incorporation dated July 4, 1980, amended by way of Certificate and Articles of Amendment dated February 23, 2016, and amalgamated with Atlas Machinery Holdings Ltd. by way of Certificate and Articles of Amalgamation dated July 1, 2023.

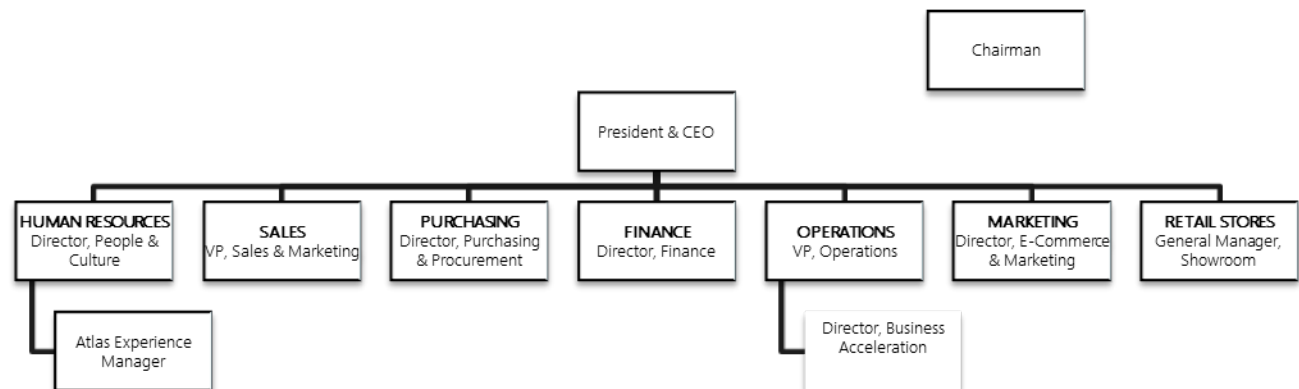
Atlas has a fiscal year end of June 30th.

Atlas currently employs 162 team members in Ontario, Canada between the retail stores and head office/distribution center.

The functional departments currently at Atlas are as follow:

- Human Resources
- Finance
- Marketing (including E-Commerce)
- Operations (includes Warehouse Operations, E-Commerce Fulfillment, Purchasing, IT Operations, Business Operations, and Facilities)
- Retail Showroom
- Industrial Sales

The functional organizational chart below provides a high-level view of the Atlas Leadership Team:



Atlas does not own or control any other entities.

Activities

Atlas is a retail partner for international brands, both large and small. Products are purchased from many suppliers for resale in the retail stores located in Etobicoke and Vaughan, online via www.atlas-machinery.com and Amazon.ca, or through direct B2B transactions with larger industrial and commercial customers.

Atlas' sales are attributed to three (3) distinct revenue streams:

- Retail (bricks and mortar)
- Online (ecommerce)
- Industrial Sales (B2B)

Roughly 99% of sales are to customers located within Canada, with 1% of sales coming from US-based or international customers. All sales are fulfilled either directly at the retail store or shipped from the warehouse/distribution center to the end consumer.

All inventory is received and stored in-house either within the retail store or at the warehouse/distribution center. Online and Industrial Sales orders are also picked, packed, and shipped from the warehouse/distribution center to end customers primarily located within Canada.

Supply Chain

Atlas purchases inventory for resale from many suppliers. These suppliers are primarily located within Canada or the US. There are also several other international suppliers without North American distribution centers. The jurisdiction for these suppliers includes Australia, Germany, Japan, Norway, and the United Kingdom.

Atlas stocks roughly 15,000 unique product SKUs and offers for sale over 40,000 SKUs. With such a diverse product offering, the country of origin for this inventory also varies broadly. The top five (5) countries of origin include the Peoples Republic of China, the United States of America, Taiwan (Republic of China), Vietnam, and Germany. Less prominent countries of origin have also been listed below:

Pakistan	Japan	Mexico
Thailand	Honduras	Switzerland
Republic of Korea (South Korea)	Cambodia	India
Poland	Bangladesh	Israel
Malaysia	United Kingdom	Netherlands
Italy	Czech Republic	Nicaragua
Turkey	Canada	Myanmar
Hungary	Finland	Romania
New Zealand	Tunisia	Spain
Norway		

All inventory purchased by Atlas arrives ready for sale.

Policies & Due Diligence Processes

Current policies

As the organization has grown, Atlas has taken measures to ensure policies and procedures are up-to-date and meet the needs and scale of the organization. All employees at Atlas receive a copy of the Employee Handbook which contain many of the policies and procedures they are to follow. Atlas adheres to all provincial and federal regulations and strives to be a good corporate citizen. The following represent some of the current policies in place:

Code of Conduct and Professional Standards

Atlas believes that the success of our business and employees is determined in part by establishing and maintaining a proper and professional work environment. We are committed to high standards of professionalism and employees are expected to demonstrate the following in the performance of their jobs and in their behaviour, communication, attire, and customer service including, but not limited to:

- i. **Professionalism:** Atlas upholds high standards of professionalism, including communication and interactions with and between employees, customers, vendors, and all business stakeholders, as such is necessary to uphold our professional and friendly work environment. This ensures we have a workplace where everyone feels valued and respected and where our customers have a consistently positive Atlas experience.
- ii. **Respect:** Atlas is committed to ensuring a professional work environment where everyone is treated with respect, dignity, and courtesy. This means that the workplace is safe and respectful and is free from any physical or psychological bullying, discrimination, harassment, violence, or other unprofessional conduct.

No one is to be discriminated against or harassed in employment because of race, national or ethnic origin, colour, religion, sex, marital status, disability, or any other basis for discrimination in accordance and in compliance with the Ontario Human Rights Code.

Respect precludes a broad range of behaviours that may be subtle or overt including, but not limited to, unprofessional behaviour, rudeness, shouting, swearing, crude jokes, intimidation or bullying, threatening comments or behaviours/actions; unsolicited and unwelcome conduct, commands, gestures, actions or contact that cause offense, humiliation, or physical/emotional harm to the individual. For further information, refer to the *Ontario Human Rights Code* and the *Occupational Health and Safety Act*, and the Health & Safety policy against workplace violence and harassment.

Open Door Policy

Atlas has an open-door policy and takes employee concerns and problems seriously. The company values each employee and strives to provide a positive work experience. Employees are encouraged to bring any workplace concerns or problems they might have or know about to their manager and inform hr@atlas-machinery.com.

Health and Safety

Atlas is committed to providing a work environment that is healthy and safe for all employees and customers. Atlas upholds the principles and the spirit of all legislative requirements, specifically, in accordance with the Ontario Occupational Health and Safety Act, as well as industry standards. Employees are to adhere to these standards:

- i. **To fulfill this commitment Atlas will:**
 - a. Provide a safe and healthy work environment.
 - b. Provide adequate training related to each employee's specific requirements to perform their duties safely and with care to prevent any injury to oneself or others.
 - c. Strive to eliminate all foreseeable hazards that could cause personal harm through injury or illness, security losses and damages to property.
 - d. Engage a Health and Safety Committee to support Atlas health and safety efforts.

Due diligence

Many of Atlas' larger suppliers are multi-national corporations and have documented policies related to ethics and human rights made publicly available. Atlas five (5) largest suppliers by procurement spend have policies in place and represent roughly 65% of Atlas' total procurement spend. Atlas will continue working with all suppliers to establish stronger systems of controls to combat forced and child labour.

Supply Chain Risk Assessment

The table below reflects the primary country of origin for most of the products sold by Atlas. Along with the country of origin, product categories have been identified for each country and a corresponding risk rating has been provided for both the products and country.

Atlas will make every effort moving forward to collect and document the country of origin for each SKU by supplier to improve on this data in the future.

Country of Origin	Product	Product Risk Rating	Country Risk Rating
China	BARE TOOLS & SINGLE TOOL KITS BATTERIES AND CHARGERS CLOTHING CONCRETE & CORE BITS DIAMOND BLADES + BITS DRILL AND DRIVER BITS ELECTRONIC TESTERS EYEWEAR FASTENERS GLOVES GRINDERS HAMMERS & PRY BARS HARNESSSES, LANYARDS & TOOL TETHERING HEAD & HEARING PROTECTION HEATED GEAR HOLE SAWS & ARBORS KNEEPADS KNIVES, SCRAPERS & BLADES LIGHTING, LIGHTS & FLASHLIGHTS LINE & POINT LASERS OSCILLATING & SPECIAL BLADES PENCILS, PENS & MARKERS PLIERS, SNIPS & CRIMPERS POWER TOOL PARTS & ACCESSORIES PREC. ACCESSORIES RECIP BLADES SANDERS SOCKETS, RATCHETS & WRENCHES SPIRIT LEVELS & SQUARES STARTER KITS STORAGE TABLE SAWS TAPE MEASURES & REELS VACUUMS WOOD SAW BLADES	Low	Low

Viet Nam	BARE TOOLS CHARGERS CLOTHING HEATED GEAR HOLE SAWS & ARBORS MISC MULTI TOOL KITS PLIERS, SNIPS & CRIMPERS POWER TOOL ACCESSORIES POWER TOOL PARTS PRY BARS SINGLE TOOL KITS SOCKETS, RATCHETS & WRENCHES SPIRIT LEVELS & SQUARES STARTER KITS TAPE MEASURES & REELS VACUUMS	Low	Medium
Israel	STORAGE	Low	Low
Mexico	BARE TOOLS KNIVES, SCRAPERS & BLADES MULTI TOOL KITS POWER TOOL ACCESSORIES RECIP BLADES SINGLE TOOL KITS	Low	Low
United States of America	ADHESIVES, OILS & GREASES BANDSAW BLADES BARE TOOLS CONCRETE & CORE BITS DRILL BITS HAMMERS HARNESSSES & LANYARDS HEAD PROTECTION HOLE SAWS & ARBORS MISC OSCILLATING BLADES PLIERS, SNIPS & CRIMPERS POWER TOOL ACCESSORIES RECIP BLADES SCREWDRIVERS & HEX KEYS SINGLE TOOL KITS SPIRIT LEVELS & SQUARES STORAGE VACUUMS	Low	Low

Taiwan, Republic of China	AXES BARE TOOLS CAULKING GUNS CHALK LINES AND CHALK CLAMPS & VICES DRILL BITS DRIVER BITS ELECTRONIC TESTERS EYEWEAR FILES, RASPS & BRUSHES HAMMERS HAND SAWS & BLADES HEARING PROTECTION HOLE SAWS & ARBORS KNIVES, SCRAPERS & BLADES LIGHTS & FLASHLIGHTS MISC PLIERS, SNIPS & CRIMPERS POWER TOOL ACCESSORIES POWER TOOL PARTS PRY BARS SCREWDRIVERS & HEX KEYS SINGLE TOOL KITS SOCKETS, RATCHETS & WRENCHES SPIRIT LEVELS & SQUARES TAPE MEASURES & REELS	Low	Low
Malaysia	BATTERIES	Low	Medium
Thailand	BARE TOOLS DIAMOND BLADES + BITS ELECTRONIC TESTERS HOLE SAWS & ARBORS METAL SAW BLADES MISC PLIERS, SNIPS & CRIMPERS POWER TOOL ACCESSORIES PRY BARS RECIP BLADES SCREWDRIVERS & HEX KEYS SINGLE TOOL KITS SOCKETS, RATCHETS & WRENCHES WOOD SAW BLADES	Low	High
Germany	BARE TOOLS CONCRETE & CORE BITS GRINDER BLADES & WHEELS PENCILS, PENS & MARKERS POWER TOOL ACCESSORIES SINGLE TOOL KITS	Low	Low
Cambodia	GLOVES HARNESSSES & LANYARDS MISC POWER TOOL ACCESSORIES POWER TOOL PARTS STORAGE TOOL BAGS & BACKPACKS	Low	High
Japan	CONCRETE & CORE BITS METAL SAW BLADES	Low	Low
Korea, Republic of	DRILL BITS DRIVER BITS	Low	Low
India	PREC. ACCESSORIES RESPIRATORY SPIRIT LEVELS & SQUARES	Low	Medium

Bangladesh	CLOTHING GLOVES	Low	Low
Poland	POWER TOOL ACCESSORIES	Low	Low
Finland	MISC	Low	Low
Pakistan	CLOTHING	Low	High
United Kingdom	DIAMOND BLADES + BITS RECIP BLADES	Low	Low
Switzerland	RECIP BLADES TAPE MEASURES & REELS	Low	Low
Italy	PENCILS, PENS & MARKERS	Low	Low
Honduras	CLOTHING	Low	Low
Spain	METAL SAW BLADES	Low	Low
Myanmar	POWER TOOL ACCESSORIES TOOL BAGS & BACKPACKS	Low	High
Canada	MISC	Low	Low
Hungary	POWER TOOL ACCESSORIES	Low	Low

A Product Risk Rating of Low has been selected for all categories as most of these items are assembled or manufactured by key multi-national suppliers that have documented policies related to forced and child labour.

The Country Risk Rating is identified by three levels ranging from Low to High. These ratings are based on the estimated prevalence of modern slavery by country as documented in the The Global Slavery Index 2018 report issued by the Walk Free Foundation.

Remediation of Forced & Child Labour

Atlas has not identified any child or forced labour in operations or supply chains, and therefore no measures have been taken to remediate vulnerable family income loss. Atlas will continue to monitor its operations and supply chains for instances of child or forced labour, and if instances are identified, explore opportunities for remediation.

Remediation of Vulnerable Family Income Loss

Atlas has not identified any child or forced labour in operations or supply chains, and therefore no measures have been taken to remediate vulnerable family income loss. Atlas will continue to monitor its operations and supply chains for instances of child or forced labour, and if instances are identified, explore opportunities for remediation.

Awareness Training

Atlas employees or leadership have not previously received any training related to forced or child labour.

Atlas will explore training opportunities related to forced labour and child labour. This training once identified will be mandatory for all existing and new employees involved in purchasing activities within the organization.

Assessing Effectiveness

Atlas does not currently have policies or procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its supply chain.

As part of the onboarding and annual review processes with suppliers, Atlas plans to incorporate a required attestation confirming that policies and procedures are in place to address the risk of child or forced labour.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

Atlas has not taken any tangible steps to date to prevent or reduce the risk of forced labour or child labour. As previously stated in prior sections of this report, Atlas procures primarily from reputable, multinational companies which have recognized branded products. Atlas has a focus and mandate of selling top quality products and brands, thus Atlas primarily purchases from companies which have policies in place.

Approval and Attestation of the Report

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.



Shawn Ederman

Chief Executive Officer

May 31, 2026

I have the authority to bind Atlas Machinery Supply Ltd. This Statement has been reviewed and approved by the highest levels of the organization on behalf of itself.