

Activation Laboratories Ltd. Compliance Report with Bill S-211

11 (1) Steps taken to prevent and reduce risks of forced labour and child labour

Actlabs pre-existing code of ethics and business conduct speaks to the expectation that all staff operate ethically and with integrity. The code of ethics and business conduct is included within both Actlabs Canadian and International employee policy handbooks. Actlabs has also created a policy specifically for both forced labour and child labour, communicating that Actlabs does not support forced labour or child labour, both within our company or within our supply chain. This policy applies to all employees, contractors, suppliers, affiliates, and partners associated with Actlabs. Both the code of ethics and business conduct and the policy on forced labour and child labour have been rolled out, with Actlabs Quality Assurance department maintaining a record of each individual within Actlabs' that has read the policy. Actlabs has also created a Forced and Child Labor Compliance Assessment form to be provided to suppliers for their attestation.

11(3) Requirements:

Requirement (a) – Structure, activities and supply chains

The reporting entity, Activation Laboratories Ltd., is a corporation with a multidivisional, cooperative form organizational structure. The corporation is a provider of laboratory services to a number of industries within Canada, primarily to the mining industry, and employs 400 people throughout Canada, with a mandate (mission) to:

- Provide prompt, accurate, high quality and cost-effective development and testing services.
- Continuously improve performance and apply innovative technologies to allow us to solve difficult problems.
- Employ highly competent personnel while creating a culture of pride in their work.
- Contribute positively to the success of each of the industries that we serve.
- Remain a good corporate citizen that practices long term, responsible and sustainable resource management and growth.

Activation Laboratories Ltd. is part of the Actlabs group of companies, which includes other non reporting entities (of Bill S-211), with corporations providing lab services solely to the mining industry in Quebec, Mexico, Guyana, Colombia, Namibia and Burkina Faso. Actlabs sources laboratory supplies from within Canada, as well as from other countries (including Australia, India, China), importing them into Canada.

Requirement (b) – Policies and due diligence processes

Actlabs pre-existing code of ethics and business conduct speaks to the expectation that all staff operate ethically and with integrity. Actlabs has also created a policy specifically for forced labour and child labour, communicating that Actlabs does not support forced labour or child labour, both within our company or within our supply chain. This policy applies to all employees, contractors, suppliers, affiliates, and partners associated with Actlabs. Both the code of ethics and business conduct and the policy on forced labour and child labour have been rolled out, with Actlabs Quality Assurance

department maintaining a record of each individual within Actlabs' that has read the policy. Actlabs has also created a Forced and Child Labor Compliance Assessment form to be provided to suppliers for their attestation.

In terms of due diligence and the OECD's 6 step cycle:

1. Embedding responsible business conduct (RBC) into policies and management systems: the above noted code of ethics and business conduction and QAP Prohibition of Forced and Child Labour Policy are managed by Actlabs Quality Management System (QMS), compliant to either ISO 17025 or 9001 (depending on the Actlabs location).
2. Identifying and assessing adverse impacts in operations, supply chains and business relationships – see requirement (c) below with respect to risks relevant to the report
3. Ceasing, preventing or mitigating adverse impacts – no adverse events have yet to be identified. See requirement (d) and (e).
4. Tracking implementation and results – see requirement (g)
5. Communicating how impacts are addressed – this report will be provided to Actlabs HR and QA department's to support the policies, including addressing breaches of Actlabs' policies.
6. Providing for or cooperating in remediation when appropriate – see requirement (d) and (e)

Requirement (c) – Forced labour and child labour risks

Actlabs has an enterprise risk management procedure in place, where the risk management process can be applied to these risks.

Actlabs maintains lists of its employees with birthdates to determine if there is a risk of child labour. Actlabs does not employ anyone under 14 years of age as this would be identified as being child labour. For those between 15-17 years of age, Actlabs would seek confirmation that the individual is only working part time and is attending school. Our youngest employee employed with the company was born in 2004 and thus there is no risk of child labour within our company. Our staff have willfully entered into employment contracts with the company, effectively eliminating the potential for forced labour. Employment contracts have been in place with the company for over 20 years. As a result, the probability of occurrence of this risk materializing within Actlabs is deemed to be remote.

In terms of imported supplies, Actlabs has reviewed the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor (<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>). No goods were identified within the list as being supplies used by Actlabs. The global slavery index was also reviewed (<https://www.walkfree.org/global-slavery-index/map>). Most of Actlabs suppliers are located in jurisdictions identified as low risk. Actlabs has 1 supplier in a moderate risk country, with that country being India. Actlabs will start by approaching this supplier for a Forced and Child Labor Compliance Assessment form and attestation.

Actlabs has 2 controlled foreign affiliates in moderate risk jurisdictions – Colombia and Mexico. Actlabs Senior Management has visited both of these controlled foreign affiliates and observed no indications of forced or child labour. These foreign affiliates assess/mitigate risks within their operations similar to Activation Laboratories Ltd., described above. Where employment contracts are not typical of the

country of the foreign affiliate, Actlabs' International Controller will obtain attestations from the Actlabs' Country Manager. Actlabs' foreign affiliates typically source supplies from Activation Laboratories Ltd.

Requirement (d) – Remediation measures

No forced labour or child labour has thus far been identified. Thus far, we have assessed that our activities and supply chains do not carry a risk of forced labour or child labour being used, and the question of remediation is considered not applicable.

Should forced labour or child labour be identified, we will require that the impacted supplier immediately address the issue and provide evidence that there is no longer forced labour or child labour in place. Should this not occur, we will take steps to switch to an alternate supplier.

Requirement (e) – Remediation of loss of income

We have judged that vulnerable families have not experienced loss of income as a result of steps the entity has taken to eliminate forced labour or child labour risks.

Requirement (f) – Training

Both the code of ethics and business conduct and the policy on both forced labour and child labour have been rolled out for all of Actlabs' staff to read. Should an individual have any questions on these documents, the individual is to approach the author of the document for clarity/direction (author being the HR manager). Actlabs has also created a Forced and Child Labor Compliance Assessment form to be provided to suppliers for their attestation.

Requirement (g) – Assessing effectiveness

As referenced in the Requirement (c), lists of employees with birthdates allow Actlabs to determine if there is the potential for child labour. Actlabs QMS includes tracking by the QA department, as well as select internal audits that would allow for compliance testing of some or all components described in this report. Thus far, no actions have been taken to assess the effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains

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.

Activation Laboratories Ltd. (Actlabs)
May 31, 2024