

On May 11, 2023, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) received Royal Assent. Thomas Skinner & Son Ltd. has determined that it is a reporting entity as outlined in the Act. This report is effective for the fiscal period ended December 31, 2023.

1. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Thomas Skinner & Son Ltd. (the “Company”) is a distributor of metalworking products and machine shop supplies throughout Western Canada. We have approximately 80 employees based in Western Canada.

Our business activities are focused on distributing cutting tools, precision measuring instruments and machine tools to customers throughout Western Canada. Our procurement process involves dealing with suppliers in Canada, USA, Europe, Japan, and Taiwan.

2. POLICIES AND DUE DILIGENCE PROCESSES

The Company is aware of its responsibilities and expects all of its suppliers to adhere to the same ethical principles. Due diligence measures in place include:

- a. Our business partner code of conduct requires suppliers to comply with all laws and regulations.
- b. Reviewing our suppliers in terms of the level of business we do with them, whether they are based in “high” risk areas of the world where forced labour and child labour may be more prevalent. We currently believe that our risk is low due to the concentration of our suppliers in “low risk” areas.
- c. Making clear our expectations on forced labour and child labour and the expectations of our suppliers.

3. FORCED OR CHILD LABOUR RISK

We assess our risk profile using various criteria, including:

- Country risk: exposure may be greater in global supply chains in countries where protection against breaches of human rights is more limited than in Canada. We have a broad range of suppliers who are primarily based in low risk geographic areas and we expect our suppliers to ensure their supply chain is within compliance.
- Product risk: there are various risks in different product sectors. Distribution of metalworking products is considered low risk and the majority of our products are considered to be low risk due to the sophisticated and precise nature and specifications of the product.
- Business partnership risk: our key contractual suppliers tend to be longer term and therefore involve less risk as we build up a good knowledge of our partner’s operation and policies.

4. REMEDIATION MEASURES FOR FORCED OR CHILD LABOUR

Remediation measures are not applicable to the Company.

5. REMEDIATION MEASURES FOR LOSS OF INCOME

Remediation measures are not applicable to the Company.

6. TRAINING

To ensure the Company's business ethics policy is properly understood, we will integrate this policy in relevant internal procedures so that it gets translated into practice and into the organizational culture of our business. The Company also intends to conduct educational and awareness raising activities.

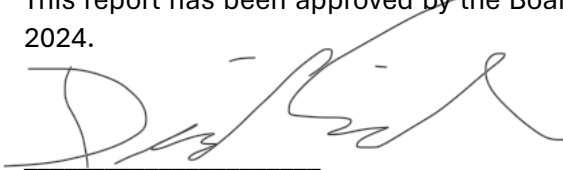
7. ASSESSING EFFECTIVENESS

We will know the effectiveness of the steps we are taking to ensure that forced labour and child labour is not taking place within our business or supply chain if:

- No reports are received from our staff, the public, or law enforcement agencies
- Issuing our business ethics policy to our employees

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. 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.

This report has been approved by the Board of Directors of Thomas Skinner & Son Ltd on May 31, 2024.



David Eisler
Chairman of the Board of Directors
I have authority to bind the Company.