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AVL Manufacturing Inc. Modern Slavery Report

This Modern Slavery Report (the “**Report**”) is intended to meet the requirements of *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”), for the 2025 reporting period and is made for the purposes of the Act by AVL Manufacturing Inc. (“**AVL**”).

STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

Acquisition:

In January 2025, Toromont Industries Ltd. (“**Toromont**”) acquired a 60% ownership interest in AVL (the “**Acquisition**”). Toromont supports and respects internationally recognized human rights throughout its operations as demonstrated in its human resource policies, commitment to employee health and safety and expectations of both employees and suppliers as further described in its [Human Rights Statement](#), [Code of Conduct](#) and [Supplier Code of Conduct](#). Toromont's [Human Rights Statement](#) is guided by internationally accepted principles including, without limitation, the principles of the UN Global Compact.

AVL specializes in designing, engineering and manufacturing power generation and energy storage enclosures and has grown into a leading North American provider of turnkey solutions for data centres, as well both renewable and non-renewable energy sectors. Headquartered in Hamilton, Ontario, AVL operates in various markets including data power generation, automotive, automation, construction, emergency management and energy storage.

AVL maintains direct relationships with its key suppliers. Relative to enclosure sales, elements of AVL’s supply chain related to operations, product support and services represent a much smaller portion of our procurement and core business expenditures. These consist largely of facilities, product support and service supplies and professional services. We maintain facilities and procure supplies such as tooling, office supplies, IT and communications equipment and software to facilitate operations. AVL uses various professional services to assist in our operations such as accounting, legal, engineering, administration and other consultants and sub-contractors to support serving our customers.

MODERN SLAVERY RISK IN OPERATIONS AND SUPPLY CHAIN

AVL’s suppliers are primarily located in Canada where there is robust pre-existing labour, employment and human rights legislation that mitigates the risk of modern slavery in our operations and supply chain.

Pursuant to the Acquisition, AVL has commenced to adopt Toromont’s core business principles and disciplines, including its policies and practices aimed at addressing ethical business conduct, the protection of human rights, health and safety and the management and compensation of employees, all in accordance with applicable laws and ethical standards. These policies and practices include:

- [Supplier Code of Conduct](#):
 - As a key element of our due diligence process, AVL expects its suppliers to embrace these values and to provide an undertaking consistent with the principles set out in the



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[Supplier Code of Conduct](#) which outlines ethical business practice requirements, including that suppliers comply with all laws related to modern slavery.

- Where appropriate, additional due diligence measures will be undertaken, including the requirement for suppliers to complete a detailed questionnaire or respond to additional follow up questions. In the event that AVL becomes aware of any actions or conditions within its supply chain that are not in compliance with our standards, AVL's expectation is that the supplier implement corrective measures. A supplier's continued non-compliance may lead to additional remediation actions, up to and including termination of the business relationship.
- **Employee [Code of Conduct](#)** - which includes:
 - Employee behaviour and expectations;
 - Our expectation respecting universal human rights and labour practices, including those aimed at reducing and eliminating modern slavery in our operations and supply chain;
 - Toromont's core set of values: 1) shared responsibility for a safe and respectful workplace; 2) social responsibility; and 3) integrity;
 - *Speak up without fear*: employees are able to speak up without the fear or threat of reprisal and are encouraged to report any concerns they believe are inconsistent with the [Code of Conduct](#).
- **Health & Safety** - our health and safety program is an integral part of maintaining a healthy and safe workplace for all employees and emphasizing our commitment to prevent any form of modern slavery within our operations. Relevant policies and practices integrated into our health and safety program include:
 - Employer, supervisor and employee-specific health and safety policies;
 - Internal portal and reporting system for employees to document hazards, near-misses, and incidents;
 - Routine email communication to all employees respecting health and safety best practices;
 - Violence, harassment, discrimination & bullying policies, and associated grievance handling mechanisms;
 - Parental and sick leave policies; and
 - Employee Assistance Program (EAP).
- **[Human Rights Statement](#)**: We are committed to recognizing and valuing the inherent dignity and worth of every person, providing for equal rights and opportunities.
- **Freedom of Association**: We respect and recognize the right of employees to collectively bargain.



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- **Hiring Policies:** We are transparent with applicants and provide them with adequate information respecting the nature of the work they undertake and their associated working conditions.
- **Whistleblower Policy:** We are committed to upholding the highest standards of ethics in our relationships with customers, employees, suppliers, shareholders, regulators and the business communities we serve.
- **Training:** Toromont has pre-existing education and training programs to advance employee understanding of their rights and responsibilities in their respective roles and duties. Pursuant to the Acquisition, AVL is integrating its education and training programs with Toromont's to improve its capacity to detect risks of modern slavery in its operations and supply chain while strengthening expectations, both internally amongst our employees and externally within our supply chain.
 - In particular, annual [Code of Conduct](#) training is mandatory for all AVL employees. This training includes an acknowledgement by employees that they are aware of their responsibilities provided in the [Code of Conduct](#).

Risk Assessment & Management

In addition to the actions, policies and procedures set out in this Report, in 2025, AVL is undertaking a complete assessment of its supply base entity-wide to enhance our due diligence in assessing risks of modern slavery within our supply chain. This will include compiling data summarizing payments made to vendors using our accounts payable records and cash disbursement registers/systems, which will allow us to gain a more comprehensive insight into our supply base, enabling us to better manage and address any risks of modern slavery in our supply chain.

Assessment of Effectiveness

Based on the foregoing and additional steps to be taken in 2025 pursuant to the Acquisition, AVL considers its actions with respect to modern slavery in its operations and supply chain to be effective.

Monitoring & Continuous Improvement

We continue to monitor and conduct due diligence measures as appropriate to assist us in detecting any form of modern slavery in our operations and supply chain. We are committed to reinforcing the expectations as set out in this Report, both internally and externally, and continue to explore ways in which we can enhance our efforts, including within our own policies, training requirements relative to employee position and responsibility and additional compliance monitoring of our suppliers. AVL remains dedicated to preventing and addressing modern slavery within our supply chain. We will continue to monitor, assess, and improve our practices to ensure compliance with the Act.

REPORTING MODERN SLAVERY CONCERNS

AVL encourages reporting by any party who has a good faith belief that the entity or individuals covered under this Report have engaged in conduct that is inconsistent with the principles set forth herein.



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Reporting may be completed on a confidential and anonymous basis by calling the **Toromont Compliance Hotline, 1-866-254-2730** or via **Secure Web Form** at www.openboard.info/tih. The hotline is operated by an independent organization.

CONCLUSION & APPROVAL

Based on the foregoing and the actions described in this Report, AVL is not aware of any instances of modern slavery within its operations or supply chain.

In accordance with the Act, this report has been approved by AVL's Board of Directors.

"Vincent DiCristofaro"

Vincent DiCristofaro
Chief Executive Officer
AVL Manufacturing Inc.
May 27, 2025

I have authority to bind AVL Manufacturing Inc.