Canadian Modern Slavery Act Report

For the calendar year ended December 31, 2025

This Report, for the calendar year ended December 31, 2025, has been prepared pursuant to the *Fighting Against Forced Labor and Child Labor in Supply Chains Act* (Canada) (the "Act") on behalf of Atlas Engineered Products Ltd., a British Columbia corporation, and its subsidiaries, which are identified below ("AEP" and, collectively with its subsidiaries, the "Company", "our", "we" or "us").

1. Introduction

"Forced labour" and "child labour" (each as defined in the Act) are crimes and serious violations of human rights. We recognize that slavery and human trafficking can occur in many forms, including forced labour, child labour, domestic and indentured servitude, sex trafficking, bonded labour or debt bondage, and workplace abuse. The term "slavery and human trafficking," as used in this Report, includes all and any various forms of coerced labour.

As a Canadian business that designs, manufactures and sells engineered wood products for the construction industry, the Company recognizes the important role that we have in ensuring that our operations, which are in British Columbia, Saskatchewan, Manitoba, Ontario and New Brunswick, and the supply chains that support our operations, adhere to the highest ethical standards, including the prevention and identification of slavery and human trafficking in our supply chain. This Report sets out the steps we have taken and are taking to prevent and reduce the risk that slavery and human trafficking are used at any step in the production of goods or elsewhere by the Company or of goods imported into Canada by the Company or third parties supplying the Company.

2. Structure, Activities and Supply Chain

The Company is headquartered in Nanaimo, British Columbia. We are engaged in the design, manufacture and sale of engineered roof trusses, floor trusses and wall panels. The Company also distributes a range of engineered wood products for builders of residential and commercial wood-framed buildings, which include single-family homes, townhouses, multi-story wood-framed residential buildings, commercial buildings and agricultural structures.

The Company's strategy includes the pursuit of a roll-up acquisition strategy to consolidate similar companies operating in the truss, engineered wood products, and wall panel industries across Canada.

The Company operates its business primarily through its operating subsidiaries:

- Atlas Building Systems Ltd. ("ABS"), Novum Building Systems Ltd. ("Novum") and Hi-Tec Industries Ltd. (“Hi-Tec"), located in British Columbia;
- Penn-Truss MFG Inc. (“Penn-Truss”), located in Saskatchwan;
- South Central Building Systems Ltd. ("South Central"), located in Manitoba.
- Clinton Building Components Ltd. ("Clinton"), Satellite Building Components Ltd. ("Satellite"), Pacer Building Components Ltd. ("Pacer"), and Truss-Worthy Construction Systems Inc. (“Truss-Worthy”), located in Ontario; and
- Léon Chouinard et Fils Co. Ltd./Ltée ("LCF"), located in New Brunswick;

The Company has approximately 300 employees, all of which are located in Canada.

All manufacturing and most of the design of the Company’s products are done in-house at the Company’s facilities in Lantzville, British Columbia, Nanaimo, British Columbia, Abbotsford, British Columbia, Saltcoats, Saskatchewan, Carman, Manitoba, Ilderton, Ontario, Merrickville, Ontario, Clinton, Ontario, Colborne, Ontario, and Eel River Crossing, New Brunswick. Some design at a quoting stage is done outside of Canada.

The Company’s supply chain includes businesses that supply goods to our organization, primarily encompassing various vendors, suppliers, contractors and subcontractors involved in the procurement of goods necessary for our operations. The Company has three major suppliers for its main materials of lumber, engineered wood products, and plates, software, and equipment. The Company sources high-quality lumber from a Canadian and North American supplier who provides vendor-managed inventory solutions. Lumber is acquired by the supplier based on the Company’s needs and stored either at one of the Company’s facility locations or at the supplier’s own reload facility. The Company sources high quality engineered wood products from a North American supplier who will deliver the product directly to the Company’s facilities. Engineered wood products are ordered on an as-needed basis. The Company also utilizes a Canadian supplier that provides design and management software, steel plates and specialized industry-specific equipment.

The Company does not currently have any foreign operations.

In total, we procure goods from approximately 350 suppliers. The suppliers we engage include businesses that are North American and adhere to regulations in Canada and the US for lumber, wood products and other construction materials, which are among the highest standards in the world in regards to modern slavery and human trafficking preventing and reporting requirements.

Additional information regarding the corporate structure, operations and industry conditions relating to the Company is available on the Company’s website at www.atlasengineeredproducts.com or on the Company’s profile on SEDAR+ at www.sedarplus.ca.

3. Our Policies and Due Diligence Process

Policies

Through our organizational and governance policies, we communicate our values and expectations, set a high bar for ourselves, our suppliers and our business partners, and we make it clear that we do not tolerate any forms of slavery and human trafficking. We are committed to consistently evolving

and improving our approach. We do not tolerate slavery and human trafficking in any of our operations or by suppliers working with us. We make every effort, including carrying out due diligence to monitor the performance of our suppliers and potential targets for acquisition, to prevent our activities from having a negative impact on human rights. Our relevant policies are discussed in further detail below.

Code of Business Conduct and Ethics

We are committed to conducting our business in a lawful and ethical manner. Our Code of Business Conduct and Ethics is the foundation of our company policies, sets out guiding principles on professional conduct and establishes that in performing their job duties, the Company's employees should always act lawfully, ethically and in the best interests of the Company.

Whistleblower Policy

The Company's Whistleblower Policy provides a mechanism for employees of the Company to report concerns regarding wrongdoing (including slavery and human trafficking) without fear of victimization, subsequent discrimination or disadvantage. Our Whistleblower Policy is intended to encourage and enable employees to raise serious concerns within the Company rather than overlooking a problem. Our Whistleblower Policy applies to all employees and contractors of the Company. It is also intended to provide a method for other stakeholders, such as suppliers, business partners, customers and shareholders, of the Company to voice their concerns regarding the Company's business conduct.

Due Diligence Process

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

We acknowledge that employees and contractors working in our supply chain are at potential risk of slavery and human trafficking, but at this time we do not source any supplies or materials from high risk countries. Over the last year, the Company has discussed and informally moved forward with systems to assess and mitigate potential risk of slavery and human trafficking. Larger suppliers the Company deals with typically are required to follow similar slavery and human trafficking policies and have published reports. The Company has vetted these reports. Additionally, as contracts are developed with new suppliers, the Company includes a policy around complying with slavery and human trafficking laws in Canada. Most of the Company's suppliers are small independent suppliers that are locally owned and operated close to our manufacturing facilities and within Canada resulting in a deemed low risk of being involved in modern slavery and human trafficking. The Company regularly assesses the process of due diligence and controls to assess risk with its supply chain and further implements checks and controls to mitigate risk factors if a higher risk supplier is identified.

4. Assessing Our Risk

We currently undertake an informal periodic risk assessment of our supply chain to better understand the potential risks related to slavery and human trafficking. These assessments will help us understand where human rights and labour issues may exist within our supply chain so that we can prioritize and focus our responsible sourcing efforts. To identify the business activities with the greatest exposure to these risks, we will consider the following factors:

- the reliance on a low-skilled workforce;
- the presence of dangerous or undesirable work;
- the presence of migrant workers;
- the presence of labour intermediaries;
- the offshore production and sourcing of materials;
- the presence of long, complex, or non-transparent supply chains;
- the presence of child labour; and
- any jurisdictional risks, including poverty, conflict and enforcement of international human rights standards.

5. Our Commitments

The Company is committed to upholding the highest standards of ethical conduct, including the prevention of slavery and human trafficking in all aspects of our operations.

As a Canadian business, we recognize our responsibility to ensure that slavery and human trafficking are not present at any step of the production of goods, whether within Canada or abroad, by our entity or within our supply chains. Below outlines the steps we will take to address and mitigate these risks:

- mapping our distribution and production activities;
- mapping our supply chains;
- monitoring suppliers;
- gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily;
- developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of slavery and human trafficking in the organization's activities and supply chains;
- engaging with supply chain partners on the issue of addressing slavery and human trafficking; and
- encouraging employees and stakeholders to report any concerns or suspicions of slavery and human trafficking.

Remediation Measures

In accordance with the Act, we have conducted a comprehensive assessment of our activities and supply chain and have not identified any incidents of slavery and human trafficking being used. Therefore, we did not need to take any measures to remediate an incident of slavery and human trafficking.

The Company acknowledges the importance of vigilance and ongoing monitoring to ensure that slavery and human trafficking risks remain mitigated within our operations and supply chains. We are

committed to regularly reviewing our risk assessments and implementing any necessary remediation measures should the need arise in the future.

Our Code of Business Conduct and Ethics and Whistleblower Policy require all employees and contractors of the Company to report actual or possible misconduct. We also undertake due diligence efforts to ensure that the risk of slavery and human trafficking is mitigated in our business. In the event that we discover any forced slavery and human trafficking in our business and supply chains, we may take one or more of the following measures to remediate such instances of slavery and human trafficking:

- taking actions to support victims of slavery and human trafficking and their families, such as workforce reintegration and psychosocial support;
- providing compensation for victims of slavery and human trafficking and their families;
- taking actions to prevent slavery and human trafficking and associated harms from reoccurring;
- employing grievance mechanisms; and
- issuing formal apologies to victims of slavery and human trafficking and their families.

Training Provided

The Company is continually developing training to ensure compliance with the Company's standards regarding this Report. The Company has updated all location employee handbooks to include policies, procedures, and updated reporting guidelines of any suspected slavery and human trafficking. This updated handbook is currently being provided to all new hires and has been or will be provided to pre-existing employees throughout 2025 and 2026. In 2026, we are finalizing and implementing an online training seminar to ensure all employees are further aware of mitigating modern slavery and human trafficking and increase awareness to report any risky suppliers or suspected instances of modern slavery or human trafficking. We will continue to update and maintain training modules that support our commitment to human rights, including the prohibition of slavery and human trafficking, adherence to labour laws, adherence to truthful and trustworthy practices when dealing with employees, proper disclosure of information and supply chain diligence, management and verification processes.

The Company personnel at all levels are required to adhere to our Code of Business Conduct and Ethics and ensure that they are understood and properly applied to their daily activities. Every new employee of the Company will be required to review and sign our mandatory values and policies included in our Code of Business Conduct and Ethics and is informed of how to report wrongdoing under our Whistleblower Policy.

Supplier Engagement

We currently engage with our suppliers to raise awareness of modern slavery risks and provide guidance on implementing best practices for prevention and mitigation. The Company has added clauses to contracts for any new suppliers outside of Canada requiring them to adhere to Canada's slavery and human trafficking laws. The Company will also include clauses prohibiting modern slavery and human trafficking where contracts are required for suppliers within Canada as well.

6. Assessing Effectiveness

As part of our governance processes, we will monitor compliance with our policies on an ongoing basis. We will also review any concerns raised through our Whistleblower Policy and other informal mechanisms of employee feedback. To date, no significant concerns or complaints have been identified. We will continue to review, reassess, and further develop our anti-slavery and human trafficking plans, not only to ensure compliance with the law but also to ensure that we fulfil our core values as expressed in this Report. Collectively, this Report, the policies, processes, and procedures described herein, are all designed to ensure that the Company and its suppliers at every level are committed to maintaining a workplace and supply chain free of slavery and human trafficking.

7. Approval & Signature

This Report was approved and attested by the board of directors of the Company on May 21, 2026, as required under subparagraphs 11(4) and 11(5) of the Act, and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our website at www.atlasengineeredproducts.com.

DATED this 21st day of May 2026.

Mohammad Hadi Abassi
CEO and President

I have the authority to bind AEP.

Forward-Looking Information

This Report contains forward-looking statements and information about the Company, which reflect management's expectations regarding the Company's future growth, results of operations, operational and financial performance and business prospects and opportunities. In addition, the Company may make or approve certain statements or information in future filings with securities regulatory authorities, in news releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements or information of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements and information, including, but not limited to statements and information preceded by, followed by, or that include words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intends", "plan", "forecast", "budget", "schedule", "project", "estimate", "outlook", or the negative or grammatical variations of those words or other similar or comparable words.

Forward-looking information in this Report includes, but is not limited to, the steps taken to prevent and reduce risks of slavery and human trafficking, the implementation of policies in relation to slavery and human trafficking, the training provided to employees in respect of slavery and human trafficking, the Company'sbusiness strategy and outlook, the remediation measures in respect of slavery and human trafficking, the maintenance of existing supplier and partner relationships and supply channels and other such matters.

Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future performance, achievement or other realities to differ materiality from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement or realities. Although the forward-looking statements and information contained in this Report reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements and information. A number of risks and factors could cause actual results, performance, or achievements to differ materially from the results expressed or implied in the forward-looking statements and information.

Further, any forward-looking statements and information contained herein are made as of the date of this Report and other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking statement or information. Accordingly, readers should not place undue reliance on forward-looking statements and information contained in this Report and the documents incorporated by reference herein. All forward-looking statements and information disclosed in this Report are qualified by this cautionary statement.