

2023 REPORT

Environmental, Social & Governance (ESG)



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VISION STATEMENT —

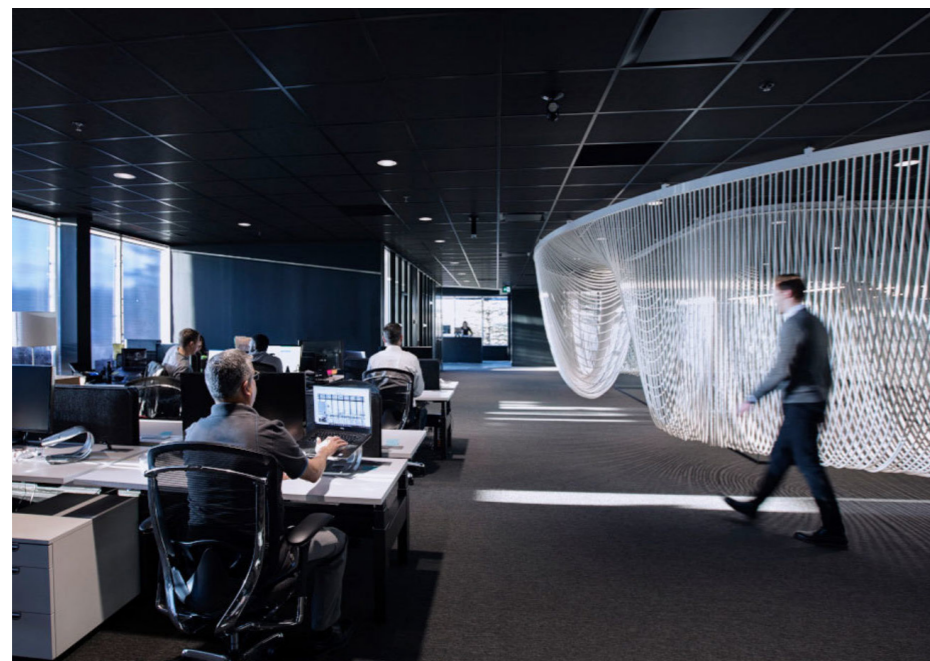
Create seamless and efficient global supply chains in harmony with people's needs and respect for nature's boundaries.

Commerce has fundamentally changed in the 21st century. Today, it includes a massive ecosystem of packaging, shipping, warehousing and distribution systems to deliver on the needs of the modern consumer. We know commerce, and the expectations of it will continue to evolve.

That's why we need to build a system that can work in harmony with evolving needs and expectations, as well as the boundaries of our planet. We can't just keep building bigger: we need to build smarter and we need to build better.

WHO WE ARE —

Attabotics provides an intelligent cube storage solution to meet the ever-changing fulfillment needs of modern customers and modern commerce. The company was founded in 2016 and is headquartered in Calgary, Alberta, with over 300 employees.



WHAT WE DO ———

Attabotics' future-proof warehouse storage system is a complete solution made to last as the nature of commerce evolves. We have created a complete, fully 3D solution with storage and picking stations – the Studio – and robot shuttles that can access any bin without having to reshuffle the system.



LETTER FROM OUR CEO ———

The Planet Needs an Update to Global Supply Chain

Studies and surveys show we're entering the age of "responsible retail"— according to Accenture, over 50 percent of people want to be environmentally safe and carbon respectful — yet we're predominantly a culture that still values cost and convenience. Record e-commerce sales numbers result in a flood of cardboard boxes outside our doorsteps, on our curbs and city streets. Before their convenient arrival, these boxes moved through supply chain systems that were originally made for parcel post — like when your grandma wanted to send you that one box of cookies during the holidays — but they were never designed to handle the boom and demands of online retail. The system we currently use made sense when few people were shipping even fewer parcels, but it's too environmentally unsustainable.

The entire online customer experience, dramatic changes in consumer behavior and expectations of fast deliveries, instant gratification and a seamless return process has resulted in more cardboard box production. Retail is at a crossroads and in order for companies to thrive — both traditional retailers and newer brands — need to adapt quickly and take advantage of new technologies in order to succeed and be receptive to the environment.

- Warehouse automation tech can drastically reduce commerce's carbon footprint and the overall usage of cardboard boxes by making warehouses smaller and bringing them closer to metropolitan cities.
- Placing fulfillment operations closer to the end consumer reduces carbon emissions due to less transit, as well as placing warehouse workers closer to their homes.
- Bringing manufacturing in-house reduces global supply chain strain and reliance.


SCOTT GRAVELLE, CEO



LETTER FROM OUR CEO ———

Our 3-sided approach to environmentally conscious fulfillment operations:

Evolving Greener Supply Chains

- Carbon footprint/greenhouse gas emissions
- Product lifecycle impact
- Waste management and pollution

Enabling a Confident and Secure Workforce

- Equity, Diversity, and Inclusion (EDI)
- Employee engagement and development
- Health and Safety

Ensuring Ethical Business Practices

- Business ethics
- Labor and human rights

PART 1
Environmental



Carbon Footprint/Greenhouse Gas Emissions

Human activity increases the amount of greenhouse gases (GHGs) in the atmosphere, contributing to a warming of the Earth's surface. This is called the enhanced greenhouse effect. GHGs include carbon dioxide (CO₂), methane and nitrous oxide (N₂O). Criteria Air Contaminants (CACs) are emissions of various air pollutants that affect our health and contribute to air pollution problems such as ground level ozone, haze, and acid rain.

CURRENT RESULTS

- A review conducted by Attabotics and a third-party engineering firm for the Sustainable Development Technology Canada project found an average-sized Attabotics' intelligent cube storage can have an emission reduction factor of 268.219 tons of carbon dioxide per year. This is the same as taking 53 2010 Toyota Camrys off the roads in the United States.
- The technology provides direct climate change environmental benefits through a more energy efficient warehousing and fulfillment operation than conventional approaches.
- The technology provides direct climate change (GHG) environmental benefits through a reduction in energy requirements resulting from a smaller warehousing footprint. Direct and indirect emissions, including upstream emissions associated with materials manufacturing, are included. There is however, a high degree of uncertainty associated with upstream (indirect) emissions, specifically, the emissions from aluminum manufacturing which should be considered. Overall, on-site direct emissions associated with building heat are reduced by the project in comparison to the baseline condition.



Waste Management and Pollution

CURRENT RESULTS

- Less metal, motors, and equipment for conveyors, and ancillary machinery.
- Less construction materials, energy requirements, and land impacts for new builds, renovations, and/or expansions.
- Less energy used to manufacture and ship materials used to construct facilities (upstream emissions).
- Less waste produced from the construction process.
- Less metal used for storage structures.
- Reduced land-use impacts. Land use evaluation on a lifecycle basis may include recognition of forestry land protection, preservation of carbon sinks, and maintenance of biodiversity and soil quality.

FOCUS AREAS

- Create meaningful increase in the use-life of all components of the system.
- Lower Attabotics GHG impact by reducing the number of unneeded parts and waste from initial build and repairs.
- Create a reduction in travel and our carbon footprint by improving solution performance limiting the need for onsite service support.

Choosing AS/RS, such as Attabotics' intelligent cube storage, over conventional warehouse systems is a step towards a more sustainable (and efficient) business practice.

"There are few occasions in life where reduction of cost and carbon impact are aligned." - Julien Seret, VP Product Management

PART 2
Social



Equity, Diversity, and Inclusion (EDI)

Bring your whole self! Being you is of utmost importance. We believe in the power of diversity, and we are dedicated to creating an equitable, diverse, and inclusive environment at Attabotics. Attabotics firmly believes that a vast array of perspectives produces and promotes innovation and business success. Our corporate diversity encompasses differences in ethnicity, gender identity or expression, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, and education.

At Attabotics we know that a diverse company is essential for bringing new ideas, experiences, and perspectives to the table, ultimately creating a better experience for customers and a thriving and social working culture.

Inclusion for all is key, not only with regards to our employees and our customers but within the communities and countries in which we operate. Our aim is to maintain an open, equitable and inclusive environment that supports and encourages employees to achieve their individual and shared goals.

We implement EDI through the following efforts:

- Promoting a shared understanding of EDI in our workplace
- Creating and sustaining a diverse workforce
- Building a diverse, equitable and inclusive work system

We commit to manage our workplace, where every Attabotics employee is respected, supported, and inspired, in accordance with the United Nations Sustainable Development Goals (SDGs) and the International Labour Organization's Discrimination

"Equity, Diversity and Inclusion are at the heart of our purpose as a company. They are what we stand for. I believe that an equitable, diverse and inclusive society is a stronger one."

- SCOTT GRAVELLE, *CEO OF ATTABOTICS*

Health and Safety

CURRENT RESULTS

Occupational Health and Safety Management System (OHSMS)

- In 2022 Attabotics recertified its occupational health and safety program to maintain its Certificate of Recognition (COR). The COR shows Attabotics developed and implemented an occupational health and safety program and met the standard for partnerships through an independent evaluation of our health and safety program.
- To better manage the OHSMS, the safety department is rolling out new Safety Software to efficiently manage event reporting, inspections, training and data reviews and trending. This new system will go live in June 2023.

Hazard Assessments and Hazard Identification

Attabotics Management is committed to having a workplace free from hazards that may cause human or material loss. In 2021 and throughout 2022, we focused on leading indicators that highlighted several measures of our OHSMS. The most important of these proactive measures were hazard assessments (HA) and hazard identification (HI).

In 2022, our safety training hours went up to 3300hrs from 1734hrs in 2021. With more awareness created through training, the HA and HI documented in 2022 translated to a reduction in the number and/or severity of unsafety conditions and unsafe acts reported.

Incident Response

Attabotics has made significant progress to prevent incidents from occurring and in the event of an incident occurring to mitigate the impact.

- Our Lost Time Injury Frequency Rate (LTIFR) for 2022 was 1.5 compared to 2021 with 0.0.
- Our Total Recordable Injury Frequency Rate (TRIFR) for 2022 is 1.2 compared to 2021 with 1.6 recordable incidence per 200,000 hours worked.

Health and Safety

Health and Safety Committee

- In early 2022 our Health and Safety Committee was restructured, and newer members added to ensure we have representation from across Attabotics. The committee's multi-disciplinary representation has been very efficient in addressing worker health and safety concerns by taking back action items to their teams for solution.

CONTINUOUS EFFORTS

Environmental

- Develop an effective tracking method to document company greenhouse gas emissions, and production waste by 2025.
- Achieve 90% less waste production by 2025.
- Be ISO 14001 (Environmental Management) certified by 2026. Maintaining this certification will audit our systems to ensure we are meeting our Environmental goals and commitments.

Social

- Expand our employee health program (with particular attention to mental health) by 2024.
- Target ISO 45001 (Occupational Health and Safety Certification) by 2025. This will audit our OHS system to ensure effectiveness and consistency across all regions.

Governance

- Establish and maintain a third-party system to audit and assess our health and safety performance with the aim of identifying areas of improvement by 2024.
- Regularly review and update our health and safety policies and procedures to ensure compliance with local and international standards by 2023.

PART 3
Governance

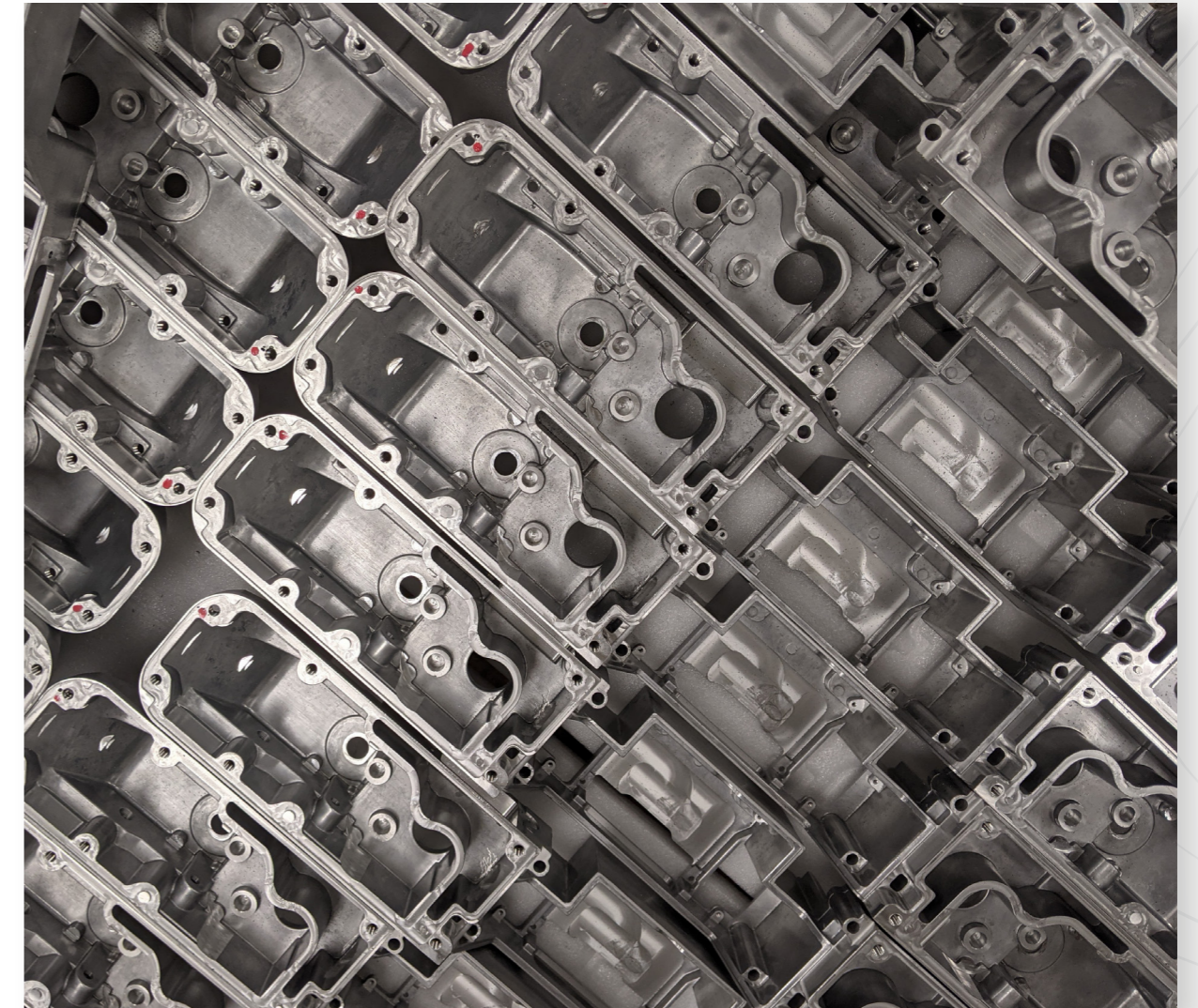


Business Ethics

CURRENT RESULTS

We have identified the success factors that are critical for Attabotics to achieve its strategic goals and sustain continuous growth:

- Leadership; the right leaders, focused on the right tasks, empowered to do the right things.
- Building reliability and ensuring the product can perform.
- Putting focus on the roadmap progressing towards strategic execution.
- Board of Directors understanding the market/ product/stage.
- Alignment between the Company and the Clients.
- Alignment between the Board and the Company, with role of the Board being well-understood.
- The Board being guided by Attabotics Governance Guiding Principles published in the Board Manual.



Business Ethics

Board Composition - Having the right individuals around the board table is critical. Given Attabotics' unique business, stage of growth, and strategic direction, the Company should be thinking strategically about Board composition to ensure that skills and experience align with Attabotics' long-term strategy and business needs.

— Attabotics uses a Skills Matrix to help articulate the desirable traits in board leadership (personal attributes, skills and experience, leadership, diversity), map the attributes of current/continuing directors, and identify the gaps to be filled. Attabotics also aspires to the board composition goals spelled out in National Policy 58-201 - Corporate Governance Guidelines, adopted by the Canadian Securities Administrators. We focus on:

- Industry specific experience
- Supply Chain solutions
- Technology
- Retail
- Strategy
- Project Management
- Software/Hardware manufacturing
- Start-up/scaling up experience
- Finance (Independent CPA)
- Risk
- Corporate development experience
- Customer Success



Labor and Human Rights

CURRENT RESULTS

Attabotics has an internal Code of Business Conduct and Ethics Policy, which ensures employees are held to appropriate ethical standards during the course of their employment. This includes fair dealing, anti-discrimination, anti-corruption and compliance with laws.

CONTINUOUS EFFORTS

Ensure compliance with Canada's new Fighting Against Forced Labour and Child Labour in Supply Chains Act, which includes taking steps to reduce the risk that forced or child labour is used anywhere in Attabotics' supply chain.



Resources

Benefits of ESG: <https://www.techtarget.com/whatis/definition/environmental-social-and-governance-ESG>

Polarium Sustainability webpage: <https://polarium.com/sustainability/>

UN Global Compact: <https://www.unglobalcompact.org/>

- Canadian companies that are participants: https://unglobalcompact.org/what-is-gc/participants/search?utf8=%E2%9C%93&search%5Bkeywords%5D=&search%5Bcountries%5D%5B%5D=30&search%5Bsort_field%5D=&search%5Bsort_direction%5D=asc&search%5Bper_page%5D=50
- Must comply with the policy on Communication on Progress (COP)
- Must comply with the Communication on Engagement (COE)