

Building Tomorrow **TODAY**

2023 SUSTAINABILITY REPORT



///ATS™

Building Tomorrow Today

Every business needs a purpose.

Ours is to create solutions that positively impact lives around the world. Not just for today, but for years to come.

To do this, we understand we need to look beyond our products and services. We need to dig deeper. Go further. It's not just about what we do, it's about how we do it. Every strategic decision, every operational standard, is an opportunity to further our mission and empower a more sustainable planet.

**At ATS, we're not just building a company.
We're building a better future.**



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FORWARD-LOOKING STATEMENTS – SUSTAINABILITY REPORT 2023

The intention of the ATS Corporation (“ATS”) Sustainability Report is to communicate the company’s strategy and performance related to sustainable development with reference to performance metrics across the identified material topics in the nine areas that emerged from our materiality assessment. The report relates to our fiscal year 2023, from April 1, 2022 to March 31, 2023. We anticipate our next Sustainability Report to be released after the close of our fiscal year 2024. This report may contain certain statements that may constitute forward-looking information and forward-looking statements within the meaning of applicable Canadian and United States securities laws (“forward-looking statements”). All such statements are made pursuant to the “safe harbour” provisions of Canadian provincial and territorial securities laws and the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical facts regarding possible events, conditions or results of operations that ATS believes, expects or anticipates will or may occur in the future, including, but not limited to, the eight sustainability targets.

Forward-looking statements are inherently subject to significant known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of ATS, or developments in ATS’ business or in its industry, to differ materially from the anticipated results, performance, achievements, or developments expressed or implied by such forward-looking statements. Important risks, uncertainties, and factors that could cause actual results to differ materially from expectations expressed in the forward-looking statements include, but are not limited to, the impact of regional or global conflicts; general market performance including capital market conditions and availability and cost of credit; performance of the markets that ATS serves; industry challenges in securing the supply of labour, materials, and, in certain jurisdictions, energy sources such as natural gas; impact of inflation; interest rate changes; foreign currency and exchange risk; the relative strength of the Canadian dollar; risks related to customer concentration; risks related to a recession, slowdown, and/or sustained downturn in the economy; impact of factors such as increased pricing pressure, increased cost of energy and supplies, and delays in relation thereto, and possible margin compression; the regulatory and tax environment; the emergence of new infectious diseases and pandemics, including the potential resurgence of COVID-19 and/or new strains of COVID-19 and collateral consequences thereof, including the disruption of economic activity, volatility in capital and credit markets, and legislative and regulatory responses; the effect of events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transaction counterparties, or other companies in the financial services industry generally, or concerns or rumours about any events of these kinds or other similar risks, that have in the past and may in the future lead to market-wide liquidity problems; energy shortages and global prices increases; that ATS may not meet one or more of the sustainability targets for any number of reasons including failure of workplace safety programs to generate the desired results; inability to attract female leadership talent; lack of employee engagement in social responsibility initiatives; costs and inability to source energy from providers that support lower emissions; and other risks and uncertainties detailed from time to time in ATS’ filings with securities regulators, including, without limitation, the risk factors described in ATS’ annual information form for the fiscal year ended March 31, 2023, which are available on the System for Electronic Document Analysis and Retrieval (“SEDAR+”) at www.sedarplus.com and on the U.S. Securities Exchange Commission’s Electronic Data Gathering, Analysis and Retrieval System (“EDGAR”) at www.sec.gov. ATS has attempted to identify important factors that could cause actual results to materially differ from current expectations, however, there may be other factors that cause actual results to differ materially from such expectations.

Forward-looking statements are necessarily based on a number of estimates, factors, and assumptions regarding, among others, management’s current plans, estimates, projections, beliefs and opinions, the future performance and results of the Company’s business and operations; the ability of ATS to execute on its business objectives; and general economic and political conditions, and global events, including the COVID-19 pandemic.

Forward-looking statements included in this report are only provided to understand management’s current expectations relating to future periods and, as such, are not appropriate for any other purpose. Although ATS believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and ATS cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. ATS does not undertake any obligation to update forward-looking statements contained herein other than as required by law.

Non-IFRS and Other Financial Measures

This report refers to the term “adjusted EBITDA” which is a non-IFRS financial measure and does not have any standardized meaning prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. Adjusted EBITDA is defined as adjusted earnings from operations excluding depreciation and amortization. Adjusted EBITDA is used by the Company to evaluate the performance of its operations. Management believes that adjusted EBITDA is an important indicator of the Company’s ability to generate operating cash flows to fund continued investment in its operations. Management also believes that adjusted EBITDA is an important measure to increase comparability of performance between periods. The adjustment items used by management to arrive at adjusted EBITA are not considered to be indicative of the business’ ongoing operating performance. For a reconciliation of adjusted EBITDA to net income, the most directly comparable financial measure disclosed in the Company’s financial statements, please refer to the Company’s Management Discussion & Analysis for the fiscal year ended March 31, 2023, which is available on SEDAR+ at www.sedarplus.com.

Who We Are

The world of automated manufacturing is getting more complex. With new technologies, industries, standards, and regulations arising every day, companies need a partner to help them simplify the process. That's where we come in.

At ATS Corporation, our shared purpose is to create solutions that positively impact lives around the world. Not just for today, but for years to come. Through our business groups and companies, we're developing solutions that make people healthier, keep people fed, and enable a more sustainable planet.

As a global provider of automation solutions, we help customers operate more efficiently, effectively, and sustainably. We work behind the scenes to equip our customers with the tools they need to do what's best for meeting their goals, and what's sustainable for the world.

Our industry-leading automation and integration solutions, as well as our increasingly sophisticated digital offerings, help us streamline manufacturing operations and processes in industries such as life sciences, food & beverage, transportation, consumer products, and energy. With a culture of continuous improvement, we aim to make our business, our customers, and the world a little bit better every day.

60+
FACILITIES

80+
OFFICES

20+
COUNTRIES

6,500+
EMPLOYEES
WORLDWIDE

\$2,577.4 M
REVENUE

18.1%
REVENUE GROWTH
IN F2023

18.2%
FIVE-YEAR
REVENUE CAGR

11.6%
ADJUSTED EBITDA
GROWTH IN F2023¹

23.9%
FIVE-YEAR ADJUSTED
EBITDA CAGR^{1,2}

NYSE: ATS*
TSX: ATS

*ATS STOCK MARKET
LISTING AS OF MAY 30, 2023

¹ Adjusted EBITDA, is a Non-IFRS financial measures. Please see "Non-IFRS and Other Financial Measures" on page x.
² CAGR data from FY18-FY23; fiscal year end March 31.

Our Markets

Life Sciences

Medical devices, pharmaceuticals and radiopharmaceuticals. Represents more than half of our business by revenue.

Food & Beverage

Fresh produce, ready-made meals, dairy and beer.

Transportation

Electric and hybrid vehicle, traditional automotive (ICE) and aerospace sectors.

Consumer Products

Warehouse automation, personal care and cosmetics, and durable goods manufacturers.

Energy

Energy technology companies in nuclear and solar power.

F2023
Revenue
by Market

\$1,209.9M
LIFE SCIENCES

\$578.2M
TRANSPORTATION

\$371.3M
FOOD & BEVERAGE

\$305.1M
CONSUMER PRODUCTS

\$112.9M
ENERGY

F2023
Revenue by Geographic
Segmentation

\$1,525.5M
NORTH AMERICA

\$811.7M
EUROPE

\$240.2M
ASIA / OTHER

F2023
Total
Revenue

\$2,577.4M



Guided By Values, Driven By Purpose

Our Purpose

Our purpose is creating solutions that positively impact lives around the world. As our environmental, social, and governance (ESG) efforts grow, so does our impact on sustainability. If we want to deliver on our purpose, we understand we must deliver on our ESG goals.

Over the past several years, we've made major strides in our ESG initiatives that have already made a difference in the lives of our employees, our customers, our communities, and our shareholders. But we know it's not enough. Guided by our culture of continuous improvement, we'll continue pushing our purpose further and further, committed to making the world a better place for generations to come.

Our Values

People

HAVING THE BEST TEAM AND WINNING AS A TEAM

Leveraging the strength of individuals, we promote collaboration to bring unique perspectives together for more innovative solutions.

Process

COMMITMENT TO CONTINUOUS IMPROVEMENT

No matter what we did yesterday, tomorrow can always be better.

Performance

DELIVERING RESULTS FOR OUR CUSTOMERS, SHAREHOLDERS AND EMPLOYEES

In every aspect of our business, we must deliver for our customers, employees, shareholders, and communities.

At ATS, we believe having the right **people**, following the right **process**, will drive the right **performance** for our customers, shareholders, and employees. That performance is ultimately what we measure ourselves against. And that holds true for our ESG efforts.

It's not easy work, but we believe these ESG performance metrics matter. They will help drive change that positively impacts our employees, customers and shareholders. When we say performance is one of our key values, it's not just about driving profits. Performance is about driving purpose.





A Message From Our CEO

**There's a word I've been thinking
a lot about over the past year.
That word is "build."**

How do we **build** a stronger company?
How do we **build** more meaningful relationships with
our customers, communities, and all stakeholders?
How do we **build** a truly sustainable future?

This idea of building comes directly from our
culture of continuous improvement. Every day
we ask ourselves, how do we build on what
we did yesterday to make tomorrow even better?

This question is the key to success in our
environmental, social, and governance initiatives.
If we want to create new solutions that positively
impact lives around the world, we need to keep
building on our efforts day after day.

BUILDING A BETTER ENVIRONMENT

There's no way around it. We can't plan for
the future of our business without planning
for the future of our planet. Following practices
that sustain our natural environment is paramount
to creating a sustainable business. Gathering
data on carbon emissions, energy consumption,
water usage, and waste production from our
operations, we constantly measure and optimize
our performance to reduce the long-term impacts
of our business on the environment, and support
our customers in their journey to do the same.

BUILDING A BETTER SOCIETY

Our corporate values are "people, process,
and performance." There's a reason that "people"
comes first. We understand that to maintain
a responsible, sustainable business, we must build
and manage healthy relationships with both internal
and external stakeholders. Focusing on health
and safety, employee well-being, supply chain
management, and diversity, equity, and inclusion
have helped drive our success over the past year
and will continue to be a focus going forward.

BUILDING BETTER GOVERNANCE

At ATS, our goal is to not just meet expectations,
but to exceed them whenever possible. We carry
this mindset in our approach to governance. We
believe in upholding the highest standards to meet
or exceed industry regulations and will continue
to build on our governance practices and policies
to do just that.

BUILDING A BETTER TOMORROW

As I look back over the past year, I'm incredibly
proud of our ESG improvements and
accomplishments. But I know there's still more
work to do. Our long-term success depends
on our continued dedication to integrating ESG
principles into our daily operations, setting goals
and meeting them. We're building on our efforts
every day, and I'm optimistic this work will
drive meaningful change for our company, our
employees, our customers, our communities,
and the world at large.

I want to thank our leaders, employees, and
investors for their role in shaping our company's
ESG journey. Without their commitment to
a sustainable future, we wouldn't be where we
are today.

Our ESG efforts have come a long way over the
past year. In F2023, we made great strides. And
with our culture of continuous improvement, we
are committed to keep building for years to come.

Sincerely,

Andrew Hider
Chief Executive Officer
ATS Corporation

Building a Sustainable Company to Build a Sustainable World

Our approach to sustainability is simple. We aim to create solutions that are as good for the planet as they are for our business.

We believe it's our duty to build a better company so we can help build a better world. To that end, we pursue initiatives that diminish adverse impacts on the environment while increasing economic and social well-being for our stakeholders and the communities in which we work.

While our approach may be simple, the ways in which we accomplish our goals are anything but. This report outlines just how we measure and optimize our sustainability performance, as well as the significant strides we've made over the past year.

FRAMEWORK

To formalize our approach to sustainability reporting, we have considered several relevant ESG-specific reporting standards and best practices to inform our communications. We have elected to report in compliance with the Sustainability Accounting Standards Board (SASB) Standards for Industrial Machinery and Goods, and for this year's report, we are also reporting in reference to the GRI Universal Standards. See Appendix B and Appendix C for a summary of such reporting.

The report includes disclosures relevant to topics material to ATS, as defined through our materiality assessment. ATS will continue to evaluate and advance our sustainability reporting standards and material ESG factors for future sustainability reports.

SCOPE OF THIS REPORT

All dollar amounts are expressed in Canadian currency. References to "we," "our," "us," "the company," and "ATS" mean ATS Corporation, and its subsidiaries and divisions. Unless otherwise noted: (i) all information in this report is presented as at, and for the year ended, March 31, 2023, and (ii) the data and analysis relates to ATS and not its distribution partners, suppliers, or customers.

DATA COLLECTION

The collection and analysis of the corporate information provided within this sustainability report have been managed by ATS' Sustainability, Finance, and Investor Relations teams, working in collaboration with the company's Sustainability Working Committee. The committee is composed of individuals from across the business to ensure that a diverse perspective on ATS' ESG-related efforts and priorities is provided to our stakeholders. The Sustainability Working Committee has followed a content-gathering and approval process to accurately reflect the company's practices and performance. As is the case for all our corporate reporting data, we place a high level of importance on collecting accurate and verifiable data in a consistent and rigorous manner to support our corporate disclosure practices. ATS uses a variety of data collection and management processes in the context of sustainability management and reporting. Our sustainability initiatives have to date been overseen by our Corporate Governance and Nominating Committee (CGNC) on behalf of our Board of Directors. In August of 2023, the ATS Board of Directors formed an Environmental, Social, Health & Safety Committee which will partner with other committees, including the CGNC, in the oversight of sustainability related initiatives and liaise with the Sustainability Working Committee on the preparation of sustainability reports.

A Future in Focus

ENVIRONMENT

- 1 Emissions
- 2 Energy Consumption/Climate Change
- 3 Environmental Stewardship

SOCIAL

- 4 Health & Safety
- 5 Employee Well-Being
- 6 Diversity & Inclusion
- 7 Supply Chain

GOVERNANCE

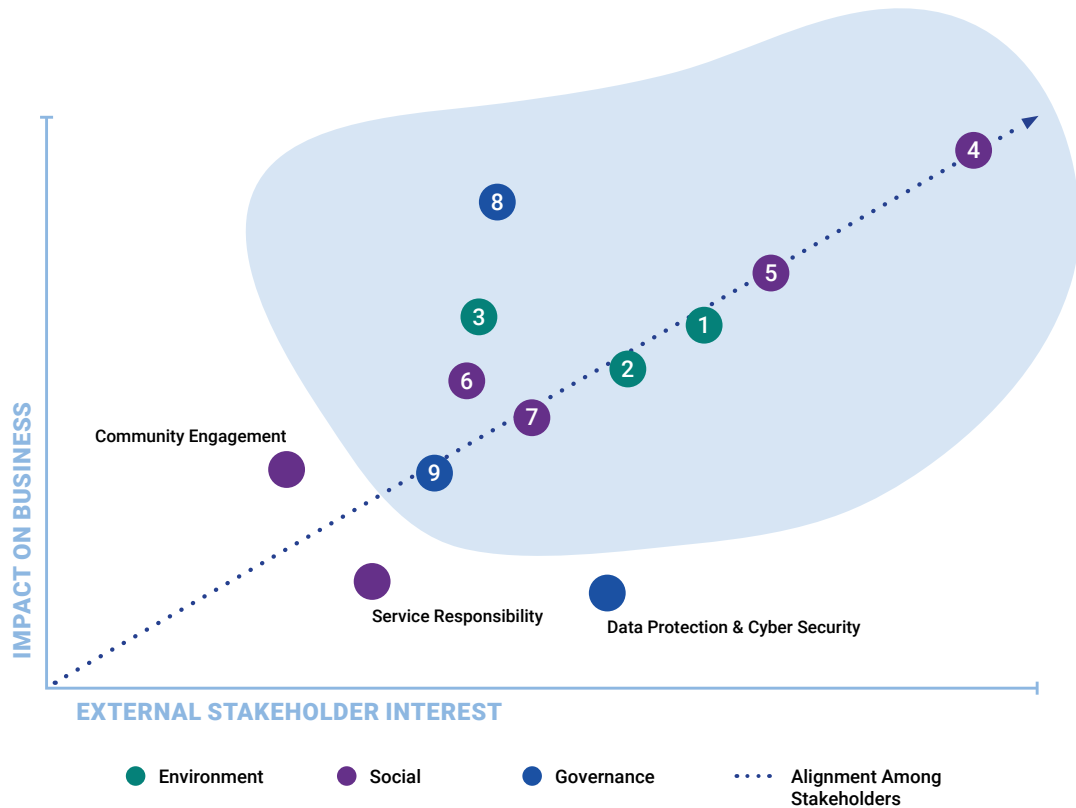
- 8 Financial Stability & Innovation
- 9 Good Governance

Materiality Assessment

There are infinite ways a company can become more sustainable. But rather than go a mile wide and an inch deep, we choose to narrow our focus to where we can make the biggest impact.









In F2022, we undertook a rigorous materiality assessment to ensure a thorough and inclusive examination of diverse perspectives in shaping

our sustainability strategy. In F2023, we reexamined the assessment and concluded that it still met the needs of our key stakeholders. We will stay focused on achieving the goals we have set while supporting our customers in their sustainability journeys', and continue to evaluate materiality on an annual basis to confirm that our approach to ESG is aligned to the needs of our key stakeholders.



Performance in Progress

Our ESG journey is a work in progress. We understand that we can't solve everything overnight. What is important, is that we make steady improvements along the way. We're proud to share that in F2023 we continued to make positive advancements.

	UN SDG	GOAL	F2022	F2023	TARGET
EMISSIONS		Scope 1 & 2 GHG emissions from operations are carbon neutral by 2030	24,570	27,074 ¹	Target 2030
CLIMATE CHANGE		Respond and align to Task Force on Climate Related Financial Disclosures (TCFD Recommendations) in FY23	New	Complete	F2023
ENVIRONMENTAL STEWARDSHIP		85% diversion of non-hazardous waste ²	New	86.1%	F2026
HEALTH & SAFETY		Reduce lost time severity rate to 4.0	10.83	4.74	Target 2030
DIVERSITY & INCLUSION		Increase women in leadership positions to 30% ³	15.8%	19.7%	Target 2030
		Development of a Valuing Uniqueness and Fostering Belonging Policy	New	In Progress ⁴	F2023
EMPLOYEE WELL-BEING		Charitable support in 100% of communities where ATS is located	21%	47.8% ⁵	Target 2030
GOOD GOVERNANCE		100% completion of annual ethics training by managers and employees	97.5%	99% ⁶	Target 2030

¹ F2023 emissions reflect return to pre-pandemic working conditions, in addition to the impact of acquired companies which have meaningfully increased overall employee and facility counts.

^T CO2e/\$ revenue (intensity value) decreased vs. F2022 – see Appendix A - ESG Data

² Percentage of total waste generated that is recyclable

³ Roles in the organization filled by women from CEO through to Team Leader (excludes the Board of Directors)

⁴ Expected completion by end of calendar 2023

⁵ Community engagement is a clear focus for the ATS Leadership team. All locations (regardless of size) are expected to contribute to this effort; on a consolidated basis, 100% of ATS' major business groups delivered charitable support.

⁶ 1% of employees were inactive and will complete training upon return to work

Building a Better Environment

The work we do today must preserve the planet and its resources for a viable tomorrow. It's that simple. We are dedicated to promoting the sustainable use of natural resources and preserving the natural environment for future generations. We see this as a primary objective for our company and fully integrate environmental initiatives into our overall business strategy. Data gathering is one of the tools we are using to measure our performance and drive meaningful initiatives to reduce the long-term impacts of our business.



13 CLIMATE ACTION



A Step in the Right Direction

Reducing our carbon footprint by decreasing greenhouse gas emissions.

When it comes to environmental stewardship, there's only one direction we will go: forward.

At ATS, we prioritize reducing our business's carbon footprint by continuously cutting greenhouse gas emissions through operational measures. In addition to acting on opportunities to reduce consumption, we have also begun to turn to greener sources for our energy needs.

F2023 EMISSIONS INITIATIVES

- Continued participation in Carbon Disclosure Project (CDP), reporting on Scope 1, 2, and 3 emissions
- Began initial assessments of Scope 3 emissions through data collection and the examination of the downstream emissions associated with shipment of products to customers (expanded reporting is targeted for F2024)
- Actively maintain emissions inventory (including CO₂, CH₄, HFCs, and CO₂e)

- All business groups continued to implement solutions to positively impact their energy consumption patterns. Highlights include the installation of photovoltaic panels at our HSG facility in Italy, completion of our HVAC “smart” system across our Cambridge Ontario campus, continued purchase of 100% certified green energy at our Comecer facility in Italy and LED lighting upgrades at several of our USA facilities
- Regularly conduct internal audits and inspections of our environmental emissions practices to ensure compliance

DRIVING INVESTMENT IN EMISSIONS REDUCTION

Employee Feedback—We encourage employees to share ideas and feedback for continuous improvement of operations and processes. Through employee suggestions, we have lowered water heater temperatures to reduce energy consumption and increased conservation by switching off monitors at the end of the work day, among many other initiatives.

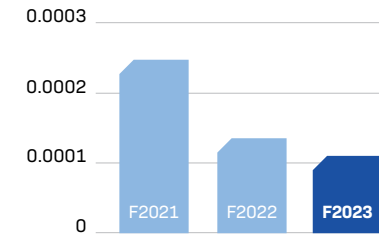
Regulatory Compliance—We prioritize compliance with emissions reduction regulations, such as energy-efficient lighting and replacement of refrigerant gases. For example, in F2023, we replaced a heating system in one of our European facilities to eliminate the use of heating oil in compliance with local regulations.

Financial Optimization Calculations—We regularly evaluate investing in building services that reduce emissions and offer long-term cost savings. For instance, in Europe, we consolidated three businesses into one facility, resulting in both energy and operational cost improvements.

Although absolute value has increased over the past year, some explanation is justified. In F2022, Scope 3 was low due to pandemic remote work and travel restrictions, which have rebounded in F2023. Additionally, we are seeing the impact of new acquisitions as we continue to grow. Looking at intensity values based on employee headcount and revenue shows that despite the continued growth of the organization, we are still finding new ways to reduce energy consumption and carbon emissions.

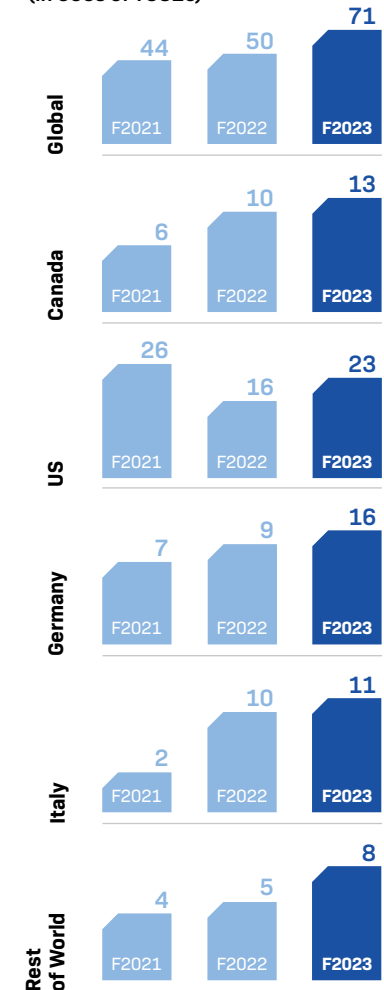
Scope 1 & 2 Intensity by Revenue

(in 000s of TCO₂e / \$ Revenue)



Scope 1, 2 & 3 Total Emissions

(in 000s of TCO₂e)



Spotlight on Energy Efficiency

ATS internal initiatives

As an organization driven by continuous improvement, ATS' global businesses constantly seek out ways to make changes in their operations that have positive long-term impacts.

US

Life Sciences Chicago
ATS Life Science Systems Chicago continued an LED lighting upgrade in their facility as well as installed water bottle filling stations to reduce use of single-serve plastic water bottles.

PA Alabama
PA Alabama upgraded to LED lighting in manufacturing and warehouse.

CANADA

Industrial Automation Cambridge
Industrial Automation ("IA") Cambridge installed water fountains to reduce reliance on single-serve water bottles. IA Cambridge also added electric vehicle charging stations to support employees and visitors in the use of cleaner transportation.

ATS Cambridge Campus
HVAC automation completed across the Cambridge, Ontario campus, resulting in reduced energy consumption.

EUROPE / UK

CFT and Raytec
In Parma, Italy, our CFT S.p.A. business has eliminated the use of plastic bottles and beverage containers.

MARCO UK
In F2023, MARCO completed its conversion to a 100% hybrid vehicle fleet to reduce GHG emissions and reliance on fossil fuels.

IA Koblenz
Our Industrial Automation facility in Koblenz, Germany is now operating off of 100% certified green electricity.

Other initiatives
The team at PA in the Netherlands completed a lighting upgrade to LED fixtures to reduce electrical consumption. The IWK team in Germany completed a similar upgrade.

ATS support of our customers' sustainability journeys

We work with some of the world's leading companies to develop meaningful solutions that drive environmental and efficiency benefits to their operations.

LIFE SCIENCES

In F2023, our Life Sciences Systems teams began actively working with customers on methods to reuse the sample products created during equipment testing to cut back on both material needs and waste sent to landfills.

ATS INDUSTRIAL AUTOMATION

As ATS Industrial Automation continues to support OEMs in their electrification journey, the outputs of our electric vehicle battery lines are reducing thousands of pounds of CO2e emissions for each year an electric battery is used, compared to emissions associated with traditional combustion engines.

 ~4.4

TCO2e reduction per EV vs. traditional combustion engine.

~4.4 million

Potential TCO2e per year reduction based on approximate expected production capacity of ATS EV lines once installed.¹

ATS INNOVATION CENTRE/GLOBAL SERVICES

ATS Innovation Centre is a new sustainability module on our Illuminate Manufacturing Intelligence software that allows for, amongst other data, real-time monitoring of energy consumption and CO2e emissions. When customers use Illuminate, they can not only create opportunities to expand production efficiency, but also make changes to the environmental outcomes of their operations.

FOOD & BEVERAGE

CFT's Apollo Evaporator uses Mechanical Vapor Recompression ("MVR") to deliver energy savings of 60-80% and reduced operational costs while improving the quality of output concentrate.

PA SOLUTIONS

CIM, part of our Process Automation Solutions group, continued to provide support to their customers' sustainability journey. In F2023 they engaged with a chemical production facility on an emissions waste management project encompassing emissions treatment, scrubbers and vapour burning to decrease overall emissions to environment.



IWK

IWK has introduced its Lobe Pump dosing system, an integrated clean-in-place system which reduces total cleaning time from 60 to 10 minutes, in addition to reducing the consumption of cleaning chemicals by up to 80%.

¹ Assumes that ATS EV battery assembly lines, once installed, will be capable of producing approximately 1 million battery packs onto 1 million electric vehicles per year. Per nrel.gov, when considering the national averages in the United States of annual emissions per vehicle, an electric vehicle produces 2,817 pounds CO2e vs. a gasoline vehicle producing 12,594 pounds of CO2e, equating to a difference of 9,777 pounds of CO2e (or approximately 4.4 metric tons CO2e) per year per vehicle x 1 million vehicles.

13 CLIMATE ACTION



Driving Change Amidst a Changing Climate

Adopting a strategy for climate impact mitigation.

Our climate is changing. And we need to mitigate our impact.

We acknowledge the global concerns surrounding climate change and recognize its growing significance to our stakeholders. To mitigate our impact, we seamlessly integrate climate risk considerations into our strategic planning process and governance. We prioritize activities that proactively minimize, lower, or offset emissions while ensuring the economic viability of our development initiatives. Our growing portfolio of sophisticated digital solutions is also furthering our ability to lend these same key insights to our global customers. We understand our climate is changing, and we're committed to driving change to stop it.

F2023 CLIMATE CHANGE INITIATIVES

- Continued performance of climate strategy aligned with Paris Agreement’s goal of limiting global warming to <1.5 degrees C of pre-industrial temperatures
- Recognizing the growing significance of the Science Based Target initiative, we are evaluating our current strategy alignment with STBi
- Identified a more scalable, digital data collection approach to enable more detailed climate change analysis by business unit and region throughout the year

PLANNING AHEAD FOR FUTURE CLIMATE CHANGE

With the support of our Global Director of Health, Safety, and Environment, sustainability has become an annual operating plan strategic initiative across all business groups. We regularly assess and monitor climate-related risks and opportunities and are leading several initiatives over the next two years to implement and advance our climate transition plan.

Roadmap to Carbon Neutrality



Examine data across operations for carbon generation trends

Identify data gaps

New acquisition addition into energy consumption and emissions calculations



TCFD compliant reporting for F2023 Sustainability Report

Migration roadmap for GRI compliant reporting with Scope 3 emissions expansion

Software for global consumption tracking and emissions monitoring online for F2024 reporting



Aggregate data across operations for cost benefit analysis against total emissions reduction

Identify best-fit offset opportunities (certified, ATS community impact)

First 100% green energy purchase complete (Comecer Italy)



Implement equipment upgrades at selected locations (HVAC, compressed air, green energy purchase, solar installations)

Begin offset investment



Announce carbon neutral attainment



Putting Our Energy Where it Counts

Reducing energy consumption and increasing energy efficiency.

Certain initiatives are good for business. Others are good for the planet. The best initiatives are good for both. Case in point: reducing energy consumption.

By focusing our efforts on consuming less energy, we're able to reduce our costs while also helping the environment. It's a win-win. In addition, we continue to look for green energy alternatives to further reduce our impact on the planet. The more we can increase our energy efficiency in the short term, and support our customers in doing the same, the better off our business and the planet will be in the long term.

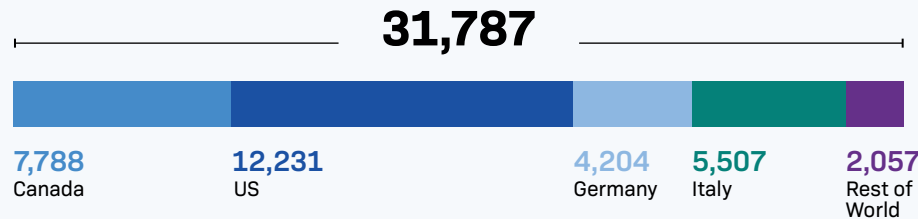
F2023 ENERGY CONSUMPTION INITIATIVES

Each of our business units continues to examine their energy consumption patterns and implement solutions to improve. LED lighting systems are becoming commonplace across our manufacturing facilities. In F2023 many facilities across Europe adjusted heating and cooling temperature set points to conserve energy. A similar approach was taken with hot water heaters across several locations.

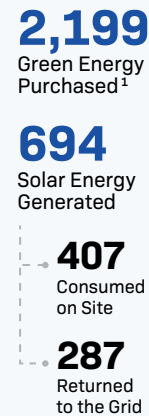
SUSTAINABLE PROGRESS

We're proud to report a notable reduction in natural gas consumption intensity based on revenue (m3/revenue) in F2023. The achievements propel us forward on our journey to further decrease electricity consumption, reinforcing our commitment to sustainable practices and environmental stewardship. A growing number of our facilities now provide charging stations for our employees and guests, in support of the movement towards e-vehicles and the reduction of reliance on fossil fuels.

Total Electricity Consumption (in MWh)

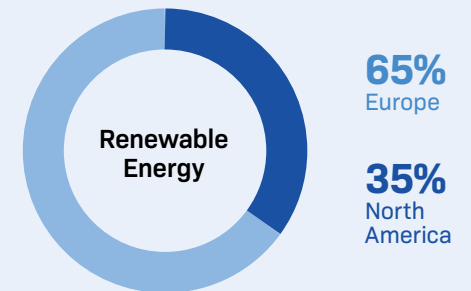


F2023 Green Energy Breakdown (in MWh)



¹ Certified 100% Green Electricity Purchased

Renewable Energy Mix



Our Actions, Our Responsibility

Promoting environmental stewardship.

As a global leader in industrial automation, we understand that our actions have power. And because our business activities can directly impact the environment, we believe it's our duty to protect it.

We operate with the goal of minimizing the disturbance of land, air and water. To do this, we see the importance of transitioning toward a circular economy in which we maximize resources and minimize waste keeping our materials and products in circulation for as long as possible. As we continue our ESG journey, we are committed to meeting or exceeding environmental regulations and industry standards to effectively manage water and waste.

We are pleased to confirm that for yet another year, in F2023, we had no reportable environmental releases to air, land, or water.

F2023 ENVIRONMENTAL STEWARDSHIP INITIATIVES

- Conducted global survey of facilities for local proximity to sensitive water bodies and uncovered no material risk
- Improved Build Safety Risk Assessment process to include an environmental risk assessment on every automation project, reviewing for potential spills, fugitive emissions, and waste generation (both hazardous and nonhazardous)
- ATS Life Science Munich continued participation in Estainium as a founding member, committed to sharing technology, data structures and processes for decarbonizing products
- CFT SpA continued its commitment to the global Sustainable Supply Chain Initiative as part of Association of the Beverage Machinery Industry (ABMI) in support of a greener approach to machinery design and installation within the beverage machinery industry.

ISO 14001 Certification

ISO 14001 provides the framework an organization can use to enhance its environmental performance. We are pleased to have an ISO 14001 Environmental Management System certification awarded to the following locations:

CFT & Siapi Italy

Industrial Automation
Slovakia

Comecer
Italy

Process Automation Solutions group

Ludwigshafen
Burghausen
Wittenburg
Bornheim
Hannover
Leverkusen
Netherlands
Belgium



Waste Management

In F2023, we remained committed to waste reduction and efficient waste management practices across all operations. We actively develop strategies for waste reduction, including the evaluation of expected waste type and volume for each automation project, enabling us to develop mitigation strategies as part of project launch activities.

We believe driving improvement through waste auditing is critical to success and continually seek to minimize waste generation and reduce landfill disposal.

F2023 WASTE REDUCTION INITIATIVES

- Conducted third-party waste audits in Canadian manufacturing sites
- Identified new opportunities to divert solid waste from landfills
- Assessed opportunities to improve practices of waste stream separation and diversion
- Improved our Build Safety Risk Assessment (BSRA) tool to ensure that environmental risk, including waste production and disposal, is a mandatory element of every BSRA

DIVERTING NONHAZARDOUS WASTE FROM LANDFILL

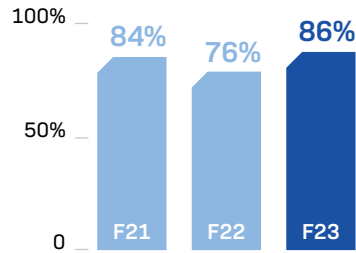
85%

Initial Target in F2022

86%

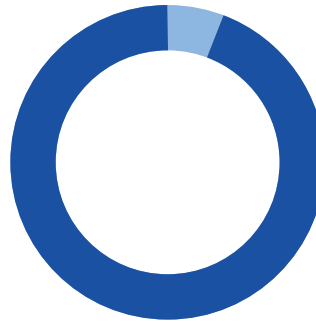
F2023 Results
(Target Achieved)

Nonhazardous Waste Diversion from Landfill



Hazardous vs Nonhazardous Waste

(in tons)



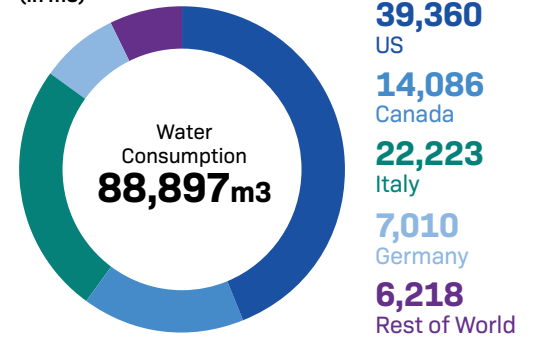
6,601
Nonhazardous
396
Hazardous

Water Usage

Responsible water management is crucial to our company, our surrounding communities, and our stakeholders. Across the organization, water consumption is generally related to facility hygiene and irrigation purposes. However, within our Products and Food Technology group, water is used for process testing of equipment related to food manufacturing and packaging. At several of our facilities in Europe engaged in food packaging technology, we are exploring opportunities to capture and reuse process testing water as a strategy to reduce overall water consumption.

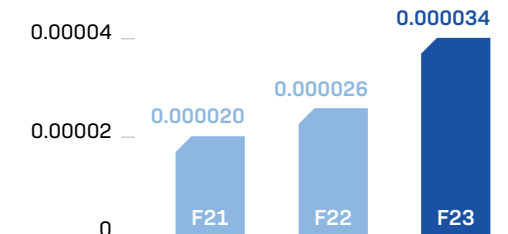
Water Usage By Region

(in m3)



H2O Intensity Trending

(m3/\$ Rev.)



* Newer acquisitions, such as CFT, use water for process testing of equipment as noted above.

Building a Better Society

A business is only as good as the people behind it. To build a successful company, you have to build successful relationships. Relationships built on trust, respect, and genuine care.

At ATS, we understand just how important these relationships are to our success. We put a great emphasis on health and safety, employee well-being, supply chain management, and diversity, equity, and inclusion because we see the positive impact they make on our internal and external stakeholders. When we focus on the people behind the products, we not only build a better company, we can build a better society and, ultimately, a better world.



3 GOOD HEALTH AND WELL-BEING



Safety First

Prioritizing employee health and safety.

Our health, safety, and environment (HSE) policy, which is required to be reviewed by every member of our team, states, “There is nothing we will do today that is more important than protecting the health and safety of our employees.” That is a perfect summation of our corporate philosophy.

In our company, health and safety come first. Always. From the employees at our factories to the communities we serve, we do whatever we can to ensure the well-being of all of our people. We see this responsibility as our utmost priority and the bedrock of our corporate culture. We are committed to cultivating leading health and safety practices and will do whatever is necessary to protect our workforce, whether at an ATS facility or while on-site supporting one of our global customers.

Health, Safety, & Environment Training

HSE training is a regular and ongoing activity across the organization. In addition to regularly scheduled training, safety messages and reminders are delivered daily via project whiteboard meetings, safety talks, and department discussions. To maintain compliance with both regulatory and corporate requirements, we use a global HSE training matrix to define required HSE training by role.

SAFETY TALKS

Communication is key to our safety culture. In F2023, we launched a series of twenty-four safety talks tailored to ATS employees ranging on topics from hand safety and chemical safety at work, to creating an emergency plan at home for keeping family members safe in the event of a fire. These safety talks assisted our leaders in ensuring that safety remains a topic during each team meeting.

SAFETY STAND DOWN

When we identify a risk that has or may have an immediate impact on our team, we initiate a Safety Stand Down to bring attention and focus to the issue. In F2023, we had 92 safety stand-downs.

ENABLING OUR LEADERS

In F2023, we developed a process requiring all new and newly promoted managers to attend an HSE orientation with a member of the Corporate HSE team. This process ensures that the new manager understands our culture and expectations around HSE, their HSE obligations and responsibilities, and how to seek assistance on HSE matters.

Additionally, in F2023 we launched our HSE Leadership program, featuring speakers invited from various industries to share their journeys and learnings on growing safety culture and building sustainable companies. The goal of these talks is to explore new ideas and share learnings from others outside of our organization and reflect on how those learnings can be applied to drive continuous improvement within our business.

91,506

OVERALL TRAINING HOURS

59,824

SKILLS & DEVELOPMENT TRAINING HOURS

31,692

HSE TRAINING HOURS

5+

AVERAGE ANNUAL HSE TRAINING HOURS PER EMPLOYEE

ISO 45001 Certification

ISO 45001 is an international standard for occupational health and safety management systems with the goal of reducing occupational injuries and diseases, including promoting and protecting physical and mental health. We are pleased to recognize the following divisions for having attained ISO 45001 certification:

CFT, Siapi, Co.Mac, Comecer
Italy

Industrial Automation
Slovakia

Process Automation Solutions
Czechia

Prevention Initiatives

We take workplace injuries extremely seriously. Which is why we put so much effort into avoiding them.

BUILD SAFETY RISK ASSESSMENT

Key to our success has been our ongoing commitment to our Build Safety Risk Assessment process, where each project is subject to a formal risk assessment by a cross-functional team.

The risk assessment begins at the design phase to discuss how we can improve safety for our assembly teams and our customer’s employees through machine design. We then continue to assess risk to our employees through the various phases of equipment build and testing all the way through to final commissioning at our customer’s site.

GLOBAL HSE STEERING COMMITTEE

Our Global HSE Steering Committee is comprised of operations leaders from across the organization. The committee meets monthly to discuss performance trends and plan enhancements to the safety

program, as well as general safety culture and sustainability topics. In F2023, the Global HSE Steering committee has been focused on leading performance indicators and monitoring near-miss reporting and investigation across the organization.

By formally discussing safety risks, applying mitigation actions, and reevaluating risks, we have been successful in continuing to reduce the occurrence of workplace injuries across the organization. Our proactive approach to safety performance includes leading measures such as internal audits of safety programs, tracking of safety training delivery, focus on near-miss incident reporting and investigation, regular workplace inspections, and monthly meetings of safety committees across all of our manufacturing sites.

F2023 saw a continued strong focus on compliance-related activities. Our HSE Corporate team conducted a total of 27 full systems audits across the organization. These audits assess

compliance to our 30 Global HSE Standards as well as local regulatory requirements, with action plans developed and completed where opportunities to improve are found. Electrical safety and arc flash prevention processes were further enhanced, with a full standard update to ensure conformity to NFPA 70E as our global benchmark.

Robot safety is a key risk area for many of our operations. In order to ensure that our designers, programmers and assembly teams are well educated on the risks and control measures required when working with robot systems, we formed a working group of internal robot experts from across the organization to review and update our internal training programs, ensuring that our technical teams are well prepared to recognize and manage risk.

In F2023 we were proud to recognize Life Science Systems Chicago division with our HSE Performer of the Year award. This award is a testament to their ongoing commitment to excellence in HSE performance.

KPI	Measured As	F2021	F2022	F2023
Compensable Injury Frequency Rate (adjusted to exclude commuting incidents)	# compensable claims (excluding commuting) / total working hours x 200,000	0.95	1.22	1.00
Lost Time Severity Rate (adjusted to exclude commuting incidents)	# lost days (excluding commuting) / total working hours x 200,000	6.99	10.83	4.74
TRIFR - Total Recordable Injury Frequency Rate	# recordable injuries / total working hours x 1,000,000	1.07	1.07	0.98

In F2023, we made significant progress in reduction of lost time (LT) days, moving our LT severity rate down to 4.74 and nearing our goal of 4.0 by 2030.

* IPCOS and ZIA excluded from data due to recent acquisition

Investing in People

Fostering employee well-being.

For a company to grow and be successful, its employees must be given the opportunity to grow and be successful, too.

To this end, we continuously invest in our people by offering opportunities for development, engagement, empowerment, and inspiration. When we nurture the potential of an individual, we create an environment where they can thrive, excel, and contribute to the collective whole. We believe our ongoing efforts to enhance the skills, satisfaction, and enthusiasm of our workforce will pay off in creating a brighter future for all.

Employee Development & Engagement

ATS puts its people first. This is one of our Values, and we know that our global team members help set us apart from the competition. By focusing on engagement and meaningful and personalized development plans, we create opportunities for our employees to grow, which can lead to further value for all stakeholders through the cultivation of a driven and empowered team.

Biennial Employee Survey

Our biennial employee survey is a consistent program to assess employee engagement and retention, health and safety, and overall employee perceptions of the company. The F2023 survey had over 75% participation and showed that our employees are very interested in ongoing professional development. This has led to several supporting initiatives, including:

Executive Development Program—Our values, People | Process | Performance, can only be brought to life through the intentional work of committed, capable and caring leaders. This newly launched global program was designed to strengthen leadership skill sets across each of our businesses and functions and tasked participants with building the culture that will enable success for the ATS of today and tomorrow.

Individual Development Plans—Building on a multi-business problem solving event, we launched a comprehensive Individual Development Planning process to not only support Leader Standard Work but to also strengthen the foundation of our succession planning processes. The global IDP process is supported by a newly deployed catalogue of world-class training materials and resources targeted to critical technical, business and leadership topics.

Global Engagement Survey Score

(5 Point Scale)

3.91
F2022

3.97
F2023

20+
PARTICIPANTS

23%
FEMALE (ABOVE ATS AVG.)



Employee Retention

At ATS, we want to create an environment where our employees can thrive, which is why we help them develop the skills they need for internal mobility and career development.

COMPETITIVE COMPENSATION

Our competitive compensation and benefit programs are built to recognize strong performance and contributions while supporting the overall well-being of our employees and their families. Our compensation practices are evaluated annually in each region we operate to ensure competitiveness in the market. This practice helps us attract and retain the quality of talent we require to execute our goals.

FLEXIBLE WORKING CONDITIONS

We continuously work to provide measures to foster employees' health and well-being, including part-time working options, flexible working hours, and hybrid/remote arrangements, where feasible.

LEADER STANDARD WORK

Our most important influence on retention is the quality of the relationship between an employee and their direct manager. Leaders are at the center of our ability to Attract, Retain & Develop. As part of our ABM we drive a consistent focus on the importance of 1-1 interactions to foster clarity and engagement around goals, performance, and development tailored to the growth aspirations of the individual and the business.

CONTINUOUS IMPROVEMENT

With Voluntary Turnover as a critical KPI, businesses actively monitor performance and deploy problem solving or Kaizen events to quickly assess root cause issues and implement solutions when needed. The use of ABM tools enables timely local reactions and fosters enterprise best practice sharing on improving employee experience.



Good Companies Make Great Neighbours

Engaging with the communities we serve.

Our social responsibility goes far beyond our internal walls. We are deeply committed to engaging with the communities we serve. We recognize the importance of being a responsible corporate citizen and strive to contribute to the betterment of local communities in a meaningful way.

As part of our corporate social responsibility, our goal is to make a positive impact in the communities where we live and work. Community outreach projects are identified by our local teams to ensure that we are supporting initiatives important and meaningful to the people who live there. We provide support to organizations and charities that align with our values and goals, ensuring that our contributions have a positive and lasting impact.

GROWING OUR GIVING

F2023 marked the beginning of a significant change in how we approach giving and philanthropy. As a company, we have committed to providing charitable support, whether by way of volunteer hours or financial assistance, in each of the communities where ATS is located. In support of this, and in alignment with our decentralized operating model, greater responsibility is being given to individual businesses and locations to make contributions that are meaningful to them and their employees. We are already seeing giving that better reflects our geographic reach. This past year, we were pleased to make financial donations in excess of \$300,000 to a variety of charitable organizations around the world.

Building on our goal of making a positive impact on the communities where we live and work, we are pleased to announce that achieved a marked improvement on our F2022 results. In F2023 we participated in charitable activities in 42.8% of the communities where ATS is located. From sponsoring sports teams, helping stock food banks, supporting children's charities to helping prevent local soil erosion, ATS employees can be counted on to positively impact their communities.

PEOPLE FIRST

Much like our values, our approach to giving starts with our people. Contributing to causes that matter to our employees is a central pillar of our community outreach approach. For example, we are committed to supporting organizations that seek to mitigate climate change and groups that promote equity and inclusion in STEM and beyond. As our global community outreach program grows, we will continue seeking new causes where we can make an impact in all regions we operate.



5 GENDER
EQUALITY

What Makes Us Different, Makes Us Stronger

Promoting diversity, equity, and inclusion (DEI).

If you want new ideas, you need new perspectives. To foster our culture of innovation, we embrace and celebrate the diverse skills, viewpoints, and experiences of our employees.

We see it as our duty to promote a sense of belonging where everyone feels seen, heard, and welcome within our walls. We value the uniqueness of our individuals because we know it's what makes us unique as a company.

CONNECTING THROUGH BUSINESS RESOURCE GROUPS

In our ongoing efforts to support diversity and inclusion at ATS, we have introduced Business Resource Groups to provide our employees with the opportunity to connect with colleagues who share similar interests and backgrounds. Our first Business Resource Group was launched in Canada as the ATS Professional Women's Network ("PWN"), seeking to elevate and empower female employees at ATS.

The ATS Professional Women's Network focuses internally on engaging, mentoring, and developing our female talent and future leaders, and externally on community outreach and sponsorship to enable our recruitment and advancement of qualified female candidates.

The PWN Mentorship Program, aimed at supporting the professional development of ATS employees, has increased its participation by approximately eightfold since its inception in 2021. The program is open to everyone, regardless of gender, which fosters the sharing of perspectives between and among program participants. In F2023, the PWN also continued to collaborate with various educational institutions and regional conferences to connect with and inspire young women interested in the STEM fields. We continue to be passionate about the ATS Professional Women's Network, its purpose, and its potential to solidify ATS as a great place to work.

Our newest Business Resource Group, the ATS Parents' Network, has also had a successful year connecting ATS parents and providing them with resources and peer networking to address a wide range of interests among them, and sharing experiences and recommendations for helping our children to be happy, healthy, and strong. In F2023, the Parents' Network continued its exploration of neurodiversity, ADHD, and autism and explored other parenting topics of interest through its Coffee & Crayons sessions, as well as helped its members navigate parental leave and employee

benefits policies. Our Business Resource Groups have demonstrated significant benefits for our employees in F2023 and continue to build upon the foundations that fortify their purpose and their efforts into the future.

"One of the things that has been really positive watching is the evolution of our women in leadership focus. We have a significant target to achieve by 2030 and the presence of the target has really started to transform the nature of discussion about our culture and our practices across all of our businesses. We're starting to see movement in a meaningful way and, importantly, the right level of dialogue around the right things. While we began this journey with women in leadership, what we are discovering is that it's really about what do we need to change in our organization in order to create a workplace where all of us thrive."

**- Angella Alexander,
Chief Human Resources Officer**

Professional Women's Network (PWN)

8x

**PARTICIPATION INCREASE
SINCE INCEPTION IN F2021**

GAINING MOMENTUM THROUGH UNIQUENESS AND BELONGING

The more we embrace the uniqueness and diversity of our teams, the stronger we become as a company. Our leaders are committed to building on this, and in F2023 took several meaningful steps forward on this journey. This included rolling out privilege awareness training and assessments amongst select leaders and employees, and also launching a Uniqueness and Belonging Steering Committee made up of senior leaders. Additional initiatives included training on unconscious bias during recruitment, introducing Land Acknowledgements during key meetings and in partnership with customers, and establishing focus groups to understand more about the experiences of women in engineering and manufacturing. As a company built on innovation, we recognize that valuing uniqueness, fostering belonging and gathering different perspectives will better enable us to address and overcome the challenges our business faces.

SUPPORTING MENTAL HEALTH AND WELLBEING

During the COVID-19 pandemic, we saw the importance of supporting our employees' mental health and well-being. During that time, we began initiatives to provide support and we continue to progress on that journey today. For instance, partnering with organizations like Canadian Mental Health, we have developed a monthly webinar series in which employees can obtain information on a variety of mental health topics. Additionally, many employees have become certified in mental health first aid to understand the different types of issues someone may be facing and how to address them.

BUILDING POLICIES TO ELIMINATE BIAS

In the coming months, we look forward to broadly sharing our Valuing Uniqueness and Fostering Belonging Policy, which will support and nurture unique experiences and voices within our organization while seeking to eliminate discrimination and bias.





Strengthening the Chain

Building greater supply chain sustainability.

It's one thing to make sustainable decisions for our own company. But to truly make an impact, we believe we need to hold our partners' accountable as well.

We recognize the importance of responsible partnerships and sustainability throughout our supply chain. To ensure alignment with our values and objectives, we have integrated sustainability considerations into our contractor selection and procurement management practices. By engaging with suppliers who share our values, we strive to reduce our environmental footprint, support local communities, promote ethical practices, and contribute to economic sustainability.

TRANSPARENT DIALOGUE

We maintain open communication with suppliers, highlighting the importance of adhering to our corporate policies and standards.

RESPONSIBLE SUPPLY CHAIN DEVELOPMENT

We take a responsible approach to developing our global supply chain while managing carbon emissions associated with transportation.

ENHANCING SUPPLIER STANDARDS

We actively engage with our suppliers on a variety of ESG matters, beginning with an evaluation of their ESG programs and processes as part of our initial evaluation process. This is bolstered by supplier visits to observe conditions and workplace factors, including environmental risks. ATS is supportive of the recently implemented *Fighting Against Forced Labour & Child Labour in Supply Chains Act* in Canada, and will be complying with the new law and submitting a report in due course.

BETTER TOGETHER

We recognize the opportunity to learn and grow as part of a global network of companies. We look to share insights into ESG-related programs of different sizes and sophistication to enable growth through the entire supply chain ecosystem.

CIRCULAR ECONOMY

In our efforts to further a circular economy, we have expanded our capabilities in data collection technology to better understand the lifecycle of our machines. With this data, we are working with our customers to drive further value by making our products run longer and more efficiently. In many cases, we are now able to identify individual parts for repair proactively to avoid costly replacements.



Spotlight on EcoVadis

As part of our commitment to society, our people, and the environment, we complete a thorough assessment of our business sustainability practices every year through EcoVadis, the global standard for business sustainability ratings. The EcoVadis assessment includes 21 sustainability criteria across four core themes: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement. In our latest rating, which was completed in April 2023, we earned a Bronze medal and scored 50/100, which places us in the 49th percentile globally.



50/100
RATING SCORE

49th
GLOBALLY

In addition, several of our divisions also earned EcoVadis medals. We recognize the efforts of the following teams:



LS CHICAGO



CFT SPA



IWK GMBH (STUTENSEE)



PROCESS AUTOMATION SOLUTIONS (NETHERLANDS)



PROCESS AUTOMATION SOLUTIONS (BELGIUM)

Building Better Governance

In our mind, the bare minimum is never enough. In our pursuit of excellence, we maintain an unwavering commitment to the highest standards of governance and ethical business conduct. We go beyond compliance by continually reviewing and refining our practices and policies.

We firmly believe in the principles of financial stability, innovation, and good governance. By upholding these principles, we ensure that our company policies and procedures align with our sustainability objectives, fostering an environment of transparency, accountability, and long-term success.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



A Solid Foundation for Breakthrough Innovation

Our commitment to financial stability and innovation.

Financial stability is essential to our growth as a company. To build this stability, we invest in sustainable, innovative initiatives. This strategy not only drives positive economic performance, but helps us achieve our ESG goals in the process.

ATS BUSINESS MODEL

The ATS Business Model (ABM) is our playbook that guides everything we do. With an emphasis on performance, Key Performance Indicators (KPIs), and visible daily management, the ABM serves as a foundation for how we pursue excellence and contribute to customer success. It is a strategic planning process, a goal deployment tool, and a resource for how we drive innovation.

As we've grown and expanded into new markets and geographies, the ABM has given all of our employees a common language and shared philosophy to examine and understand our business. It has also shown that its application can deliver results beyond operational efficiency. The ABM is now shaping our approach to all aspects of our business, including our ESG targets and performance.

INNOVATION IN ACTION

Innovation plays a vital role in driving sustainable growth. We regularly invest in solutions that will increase operational efficiency and improve the development of technologies that are energy efficient. Knowing the criticality of these initiatives, we've built dedicated collaborative spaces around the world that focus on research and innovation, in addition to fostering co-creation opportunities with our customers, suppliers, and local academic institutions. This steadfast determination to invest in technologies and address complex challenges has furthered our culture of innovation and established ATS as a trusted partner in sustainability journeys.





Trust Earned, Not Given

Building trust and accountability through effective corporate governance.

Transparent. Objective. Fair.

These three words exemplify our approach to corporate governance. Our decision-making is transparent, our policies are objective, and our actions are fair. We believe operating in this manner is vital to earning the trust of our stakeholders and is key to the success of our business.

Guided by our values, we uphold high standards and a robust framework for oversight and accountability. We strive to earn stakeholder trust through sustainable, ethical, and responsible business practices. We maintain that trust by continually evaluating and enhancing these practices to meet evolving expectations.



Corporate Governance

Good governance starts at the top. Our Board of Directors and its committees provide oversight of the management of the business, including ethics, health and safety, strategy, business planning, financial disclosure and controls, risk management, corporate governance, compensation principles, and ESG.

Recent Board initiatives include: (i) the establishment of a new board committee, the Environment, Social, Health & Safety Committee, with the mandate to oversee risk, compliance, performance, and reporting in relation health, safety, environment, and social matters*; (ii) the addition of our new board member, Sharon Pel. Ms. Pel is an experienced board member, trustee, and senior executive with more than forty years of experience as a strategic business advisor. She has extensive expertise in governance, securities regulatory and policy matters, and corporate, commercial, and securities law. We are excited for Ms. Pel to bring her knowledge and guidance to our company and sustainability journey*; (iii) the introduction of our company's first say on pay advisory vote at our 2023 annual meeting of shareholders*; (iv) oversight of ATS' listing on the New York Stock Exchange and the program to address all associated governance and compliance matters; and (v) the company's adoption of a shareholders' rights plan, with the objective of ensuring that all ATS shareholders are treated fairly in the context of takeover bids.

*As of August 10, 2023

BOARD OF DIRECTORS COMMITTEES

- Human Resources
- Audit and Finance
- Corporate Governance and Nominating
- Strategic Opportunities
- Environment, Social, Health & Safety*

Ethics & Integrity

It's one thing to agree to sustainability practices. It's another thing to follow through on them.

At ATS, we place ethics and integrity on the highest pedestal, and all our employees are guided by our ATS Code of Conduct. Our monitoring activities are robust and continuous to ensure that we, and our suppliers, do what we say we will do.

SUPPLIER CODE OF ETHICS

We're proud to have relationships with suppliers around the globe. To keep these relationships rewarding and productive, we encourage transparency and set clear expectations through our Supplier Code of Ethics.

The Supplier Code of Conduct outlines our expectation that all suppliers conduct their business in an ethical manner and in compliance with all applicable laws. Our suppliers are subject to these standards as a condition of doing business with us. We are committed to supply chain practices grounded in human rights, compliance, and accountability.



ESG Governance

With the growing importance of ESG matters to our shareholders, customers, and employees, our Board of Directors provides independent oversight of the management of the business and affairs of the corporation.

Human Rights

Operating across the globe, we are sensitive to the importance of protecting and preserving human rights. We promote a culture of open and honest dialogue with our stakeholders, reviewing and confirming our vendors have human rights requirements within their own policies.

In order to capture and track community and human rights grievances, inquiries, and comments, we have developed and implemented community feedback mechanisms. These feedback mechanisms are rolled out across our operations to ensure we respect, protect, and promote internationally recognized human rights wherever we operate. We want to respect and preserve individual rights and ensure that we do not contribute directly to human rights abuses. As a responsible company striving for excellence, we will continue to promote best practices and aim to have a positive influence on the conduct of others.

ATS CORPORATION POLICIES

- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Export Compliance
- Anti-Bribery and Anti-Corruption
- Conflict Minerals
- Employee Privacy Policy
- Harassment Policy
- HSE Policy
- Social Media Policy
- Workplace Violence Policy
- Code of Business Conduct, and Supplier Code of Ethics

TCFD/GRI STANDARDS

As detailed in the ESG Disclosure Index, ATS is in compliance with the SASB and the TCFD, with reference to GRI and our disclosures are aligned to the UNSDG. Our approach involves a comprehensive assessment of diverse disclosure avenues, aimed at delivering a transparent perspective. It's important to acknowledge the complexities inherent in providing forward-looking information within the confines of regulatory financial disclosures.

Building Tomorrow Today

The world is facing increasingly complex sustainability issues.

From climate change to human rights, from worker safety to waste management, the choices we make today will have a lasting impact on tomorrow.

We don't have time to wait.

We must act now if we want to build a brighter future.

At ATS, we're proud of what we've accomplished over the past year, but we know we're just getting started. We will continue to pursue sustainability initiatives with passion and urgency because we know that what we do, and how we do it, will impact lives around the world for years to come.

Through our ESG initiatives, we are **building tomorrow today.**




APPENDIX A

ESG
Data¹




MATERIAL TOPIC	KPI	MEASURED AS	F2020	F2021	F2022	F2023
Environment						
ENERGY CONSUMPTION / CLIMATE CHANGE	Natural gas consumption	m3 consumed (absolute)	2,256,374.70	1,720,724.20	2,544,381.00	1,883,320.49
		m ³ /FTE ²	512.80	344.14	424.06	289.74
		m ³ /\$ revenue	0.0016	0.0012	0.0011	0.0007
	Electricity consumption	MWh consumed (absolute)	18,275.91	18,393.80	28,825.00	31,786.98
		MWh/FTE ²	4.10	3.70	4.80	4.89
		MWh/\$ revenue	0.000013	0.000012	0.000013	0.000012
	Water consumption	m ³ consumed (absolute)	33,180.87	28,776.67	56,885.04	88,897.03
		m ³ /FTE ²	7.54	5.75	9.48	13.68
		m ³ /\$ revenue	0.000023	0.000020	0.000026	0.000034
	Energy mix (renewable source content)	Percentage	Europe – 65% North America – 35% Asia – 0%	Europe – 65% North America – 35% Asia – 0%	Europe – 65% North America – 35% Asia – 0%	Europe – 65% North America – 35% Asia – 0%
EMISSIONS	Carbon equivalent generation (Scope 1 and 2)	Total CO2e in metric tons	36,202.59	32,165.17	24,570.49	27,074.57
		T CO2e/\$ revenue	0.000025	0.000022	0.000013	0.0000105
		T CO2e/FTE ²	8.23	6.43	4.09	4.16
ENVIRONMENTAL STEWARDSHIP	Waste diversion	Percent of total waste diverted from landfill or incineration	82.00%	83.60%	76.00%	86.10%

¹ Given the number of acquisitions completed by the Company over the periods reflected in this report and this data table, year-over-year comparisons of absolute figures may not be reflective of progress made on a per dollar of revenue or per FTE basis. Where possible, the Company has provided such comparisons, however readers are cautioned that inorganic growth is reflected in the figures, particularly absolute figures.

² Full-time equivalent

MATERIAL TOPIC	KPI	MEASURED AS	F2020	F2021	F2022	F2023	
Social							
HEALTH & SAFETY	 3 GOOD HEALTH AND WELL-BEING	Compensable injury frequency rate (adjusted to remove commuting incidents)	# compensable claims (excluding commuting) /total working hours x 200,000	0.99	0.95	1.22	1.00
		Lost time severity rate (adjusted to remove commuting incidents)	# lost days (excluding commuting) / total working hours x 200,000	6.51	6.99	10.83	4.74
		Engagement survey	Overall % positive to safety question(s)	4.59/5	4.51/5 ¹	4.50/5 Pulse survey of 25% of global head count	4.37/5
		Near-miss reporting	# near misses reported and investigated	>50	35	42	103
		TRIFR – total recordable injury frequency rate	# recordable injuries / total working hours x 1,000,000	1.04	1.07	1.07	0.98

¹ Overall % positive to safety has consistently rated as the highest scoring reported value on the ATS Engagement Survey.

MATERIAL TOPIC	KPI	MEASURED AS	F2020	F2021	F2022	F2023
Social						
	Voluntary turnover rate	% of employee population voluntarily resigned	5.48%	5.80%	7.80%	6.30%
	Engagement survey result	Global engagement score (5 point scale)	3.93	4.03	3.91 <small>Pulse survey of 25% of global head count</small>	3.97
	Age demographics	Age bands as percent of employee population	<30 = 21.70% 30-50 = 52.00% >50 = 27.30%	<30 = 19.00% 30-50 = 53.00% >50 = 28.00%	<30 = 18.60% 30-50 = 51.80% >50 = 29.60%	<30 = 19.00% 30-50 = 33.00% >50 = 48.00%
	Gender demographics	Gender groups as percent of employee population	Female = 15.80% Male = 83.90% Other = 0.30%	Female = 15.80% Male = 83.80% Other = 0.40%	Female = 18.80% Male = 80.80% Other = 0.40%	Female = 28.10% Male = 71.48% Other = 0.42%
DIVERSITY & INCLUSION						
	Role by gender	% gender breakdown for key employee groups (engineering, assembly, sales)	Engineering Female: 9.50% Male: 90.20% Other: 0.30% Applications & Sales Female: 23.90% Male: 76.10% Assembly/Production Female: 3.50% Male: 96.30% Other: 0.20%	Engineering Female: 8.70% Male: 90.90% Other: 0.40% Applications & Sales Female: 22.30% Male: 77.70% Assembly/Production Female: 3.20% Male: 96.50% Other: 0.30%	Engineering Female: 9.80% Male: 89.70% Other: 0.50% Applications & Sales Female: 31.20% Male: 68.60% Other: 0.20% Assembly/Production Female: 9.80% Male: 90.00% Other: 0.20%	Engineering Female: 8.49% Male: 91.14% Other: 0.37% Applications & Sales Female: 30.41% Male: 69.59% Other: 0.00% Assembly/Production Female: 8.78% Male: 90.83% Other: 0.39%
	Leadership by gender	% gender breakdown for management versus nonmanagement roles	12.60% <small>Pulse survey of 25% of global head count</small>	12.50%	15.80%	19.70%
EMPLOYEE WELLBEING / COMMUNITY INVESTMENT						
	Donations	\$ donated in CAD	250,000+	300,000+	450,000+	500,000+
	Communities impacted	% communities where we are located	9.00%	15.00%	21.00%	47.80%
Governance						
GOOD GOVERNANCE						
	Ethics and compliance training	% of employee population (management and nonmanagement) completing annual training	100.00%	100.00%	97.50% <small>Overall</small>	99% <small>Overall</small>

APPENDIX B

SASB

Industrial Machinery & Goods

TOPIC	ACCOUNTING METRIC	CODE	F2021	F2022	F2023	NOTES / COMMENTS
ENERGY MANAGEMENT	Total energy consumed	RT-IG-130a.1	18,393.80 MWh 66,217.68 GJ	28,825.00 MWh 103,770.00 GJ	31,786.98 MWh	
	Percentage grid electricity		Europe – 35% North America – 65% Asia – 100%	Europe – 35% North America – 65% Asia – 100%	Europe – 35% North America – 65% Asia – 100%	
	Percentage renewable		Europe – 65% North America – 35% Asia – 0%	Europe – 65% North America – 35% Asia – 0%	Europe – 65% North America – 35% Asia – 0%	
EMPLOYEE HEALTH AND SAFETY	Total recordable incident rate (TRIR)	RT-IG-320a.1	0.87	1.07	0.98%	Calculated as (statistic count x 200,000)/hours worked
	Fatality rate		0.00	0.00 ¹	0.00	Calculated as (statistic count x 200,000)/hours worked
	Near-miss frequency rate		1.07	1.07	1.44	Calculated as (statistic count x 200,000)/hours worked.

¹ As part of ATS' commitment to integrity, we note the tragic fatality in F2022 of a subcontractor (of a contractor) that was related to an installation project. We have completed a full audit of the incident, with corrective actions completed.

TOPIC	ACCOUNTING METRIC	CODE	F2021	F2022	F2023	NOTES / COMMENTS
FUEL ECONOMY & EMISSIONS IN USE-PHASE	Sales-weighted fleet fuel efficiency for medium and heavy-duty vehicles	RT-IG-410a.1	Not applicable	Not applicable	Not applicable	ATS does not manufacture or sell vehicles, off-road vehicles or diesel engines which are powered by fossil fuels.
	Sales-weighted fuel efficiency for nonroad equipment	RT-IG-410a.2	Not applicable	Not applicable	Not applicable	
	Sales-weighted fuel efficiency for stationary generators	RT-IG-410a.3	Not applicable	Not applicable	Not applicable	
	Sales-weighted emissions of: (1) nitrogen oxides (NO2) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other nonroad diesel engines	RT-IG-410a.4	Not applicable	Not applicable	Not applicable	
MATERIALS SOURCING	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	Qualitative response on p 19 of F2021 Report	Qualitative response on p 28 of F2022 Report	Qualitative response on p 25 of F2023 Report	
REMANUFACTURING DESIGN & SERVICES	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	\$80M	\$122M	\$155M	
ACTIVITY METRICS						
NUMBER OF UNITS PRODUCED BY PRODUCT CATEGORY	Total recordable incident rate (TRIR)	RT-IG-000.A	ATS deployed 500 systems (contracts valued over \$250,000)	ATS deployed 900 systems (contracts valued over \$250,000)	ATS deployed over 800 systems (contracts valued over \$250,000)	
NUMBER OF EMPLOYEES	Near-miss frequency rate	RT-IG-000.B	>5,000	>6,000	>6,500	

APPENDIX C

TCFD Reporting Table

Introduction

ATS Corporation is committed to following established research and disclosure frameworks to deliver insights to its investors and other interested stakeholders. The use of the Task Force on Climate-Related Financial Disclosures (TCFD) framework holds significant importance in providing useful information about the Corporation's operations.

This table has been developed to provide information on ATS Corporation's role in supporting the transition to a low-carbon economy and demonstrating its resilience in the midst of evolving global conditions. This report represents the initial stage of ATS Corporation's TCFD reporting journey, with a solid commitment to ongoing adaptation as the Corporation evolves and as additional research becomes available.

GOVERNANCE

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.¹

RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION	SUMMARY RESPONSE
a) Describe the board's oversight of climate-related risks and opportunities.	F2023 CDP Climate Change Report: C1.1, C1.1a, C1.1b	The full ATS Board of Directors has oversight responsibility for climate-related issues. The Human Resources Committee of the Board works in close collaboration with the Chief Human Resources Officer (CHRO) to provide oversight for Health, Safety, and Environmental (HSE) Key Performance Indicators (KPIs) and initiatives throughout the organization. This oversight encompasses a wide array of climate-related issues and environmental performance considerations.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	F2023 CDP Climate Change Report: C1.2, C1.3	<p>Recently the Board formed an Environment, Social, Health & Safety Committee, which will assume detailed oversight over climate related matters and will report and make recommendations to the Board. It is anticipated that this new committee will serve as a dedicated platform for the presentation and discussion of climate change and sustainability strategy, as well as the monitoring of progress in these areas.</p> <p>Assessment and management of climate-related risks and opportunities are integrated into the Company's Annual Operating Plan process, with each business group identifying specific risks and opportunities specific to their locations and markets. These risks and opportunities inform the content of the Company's overall plan and strategy.</p> <p>Specific ATS climate-related initiatives are outlined earlier in this report.</p>

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.¹

RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION	SUMMARY RESPONSE
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	F2023 CDP Climate Change Report: C2.1a, C2.3, C2.3b, C2.4, C2.4a	While the Company does not currently employ climate-related scenario analysis as a tool to inform its strategy, the company has nonetheless given due consideration to climate-related risks and opportunities. Several risks associated with climate change have been identified by the Company, which have informed our approach to decarbonizing as the priority in attaining our carbon-neutral goal. Business opportunities related to climate change are identified at the business group level and are closely related to the markets served (growth of the battery market for support of e-vehicle production, for example). As articulated in ATS' F2021 Sustainability Report, the organization has set an ambitious goal of achieving carbon neutrality for Scope 1 and Scope 2 emissions by Fiscal Year 2030. The Company's carbon neutrality goal is being reviewed in comparison to the requirements of the Science-Based Targets initiative (SBTi). ATS firmly believes that its commitment to realizing carbon neutrality within the Scope 1 and Scope 2 emissions sphere by FY2030 harmonizes with the foundational principles endorsed by SBTi.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	F2023 CDP Climate Change Report: C2.3, C2.3b, C2.4, C2.4a, C3.1, C3.2, C3.3	
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	F2023 CDP Climate Change Report: C3.1, C3.2, C3.3	

¹ In addition to the F2023 CDP Climate Change Report, relevant material information regarding each of these factors is disclosed in the Company's public disclosures, including Management Discussion & Analysis and/or Interim and Annual Financial Statements and/or Annual Information Form, if or as necessary.

RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks.

RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION	SUMMARY RESPONSE
a) Describe the organization's processes for identifying and assessing climate-related risks.	F2023 CDP Climate Change Report: C2.1, C2.2, C2.2a	ATS demonstrates its commitment to the identification, assessment, and effective management of climate-related risks through its dedication to sustainable business practices. The Company's approach to climate-related risk management is built upon several key components:
b) Describe the organization's processes for managing climate-related risks.	F2023 CDP Climate Change Report: C2.1, C2.2	<p>1. Risk Identification: Internal and External Assessment: ATS conducts routine assessments of both internal and external factors that could exert an influence on its operations in the context of climate change. This includes a comprehensive evaluation of physical risks tied to extreme weather events, potential supply chain disruptions, and evolving regulatory dynamics.</p> <p>Scenario Analysis: While the company is presently in the process of crafting a comprehensive scenario analysis framework, it fully recognizes the significance of this tool in identifying potential risks associated with various climate scenarios. ATS is actively engaged in the incorporation of scenario analysis into its overarching risk management framework.</p> <p>2. Risk Assessment: Materiality Assessment: ATS has undertaken a materiality assessment to gauge the relevance of climate-related risks to its business. This assessment accounts for both the potential financial and nonfinancial impacts of climate risks on the company's operations, including considerations of reputational risks.</p> <p>Quantitative Analysis: To assess the financial implications of climate risks, ATS employs quantitative methods, delving into potential impacts on asset valuations, insurance expenditure, and supply chain vulnerabilities.</p> <p>3. Risk Management: Risk Mitigation Strategies: Upon the identification and assessment of climate-related risks, ATS actively deploys an array of strategies to mitigate these risks. These strategies encompass both physical and transitional risks, involving measures geared toward bolstering energy efficiency, diversifying energy sources, and curbing greenhouse gas emissions.</p> <p>Regulatory Compliance: The company maintains strong oversight of evolving climate-related regulations and policies, supporting alignment with prevailing and forthcoming requirements. This proactive stance significantly mitigates regulatory risks.</p> <p>Supplier Engagement: ATS remains engaged with its suppliers to evaluate their policies and practices against a variety of ESG considerations.</p> <p>Strategic Planning Process: The development of resilience plans represents a core facet of ATS' strategic agenda. These plans are designed to enhance the company's capacity to respond effectively to climate-related disruptions, encompassing strategies for sustaining business continuity in the face of extreme weather events or supply chain interruptions.</p> <p>Insurance and Risk Transfer: ATS regularly evaluates insurance options and risk transfer mechanisms to safeguard against potential financial losses arising from climate-related events, holding comprehensive coverage in the event of unforeseen climate-related occurrences.</p>
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	F2023 CDP Climate Change Report: C2.2	<p>ATS recognizes the dynamic nature of climate-related risks and is committed to the continuous enhancement of its risk management practices. In keeping with its pledge to transparency, the Company committed to regular disclosure of its climate-related risk identification, assessment, and management endeavors in alignment with TCFD recommendations and CDP Reporting. This commitment ensures that ATS' stakeholders are consistently informed about its proactive approach to climate risk management.</p>

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.¹

RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION	SUMMARY RESPONSE
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	F2023 CDP Climate Change Report: C4.1, C4.1a, C4.2	<p>Metrics:</p> <ul style="list-style-type: none"> • Scope 1 and 2 Emissions: ATS tracks direct emissions (Scope 1) and indirect emissions stemming from purchased energy (Scope 2) annually, measuring these emissions in metric tons of CO2 equivalent. ATS currently does not include Scope 3 emissions in their entirety but has consistently analyzed and disclosed Scope 3 emissions associated with both business travel and employee commuting. Further expansion of Scope 3 emissions analysis and reporting both upstream and downstream is under evaluation for future disclosure cycles. This diligent quantification is part of the Company's commitment to achieving carbon neutrality for Scope 1 and 2 emissions by Fiscal Year 2030. • Energy Consumption: ATS employs the measurement and monitoring of energy consumption throughout their facilities annually, quantifying this metric in megawatt-hours (MWh). This tracking aids in the identification of opportunities for enhancing energy efficiency and subsequently reducing associated emissions. • Renewable Energy Uptake: ATS conducts assessments to determine the proportion of renewable energy sources within their energy mix. The Company aims to progressively increase this percentage in accordance with their carbon neutrality target. • Renewable Energy Generation: ATS measures and discloses the generation of energy associated with photovoltaic systems and tracks the proportion of energy consumed onsite from these sources. <p>Targets:</p> <ul style="list-style-type: none"> • Carbon Neutrality: ATS has established a target to attain carbon neutrality specifically for Scope 1 and 2 emissions by Fiscal Year 2030. This objective underscores the Company's commitment to minimizing their environmental footprint and actively contributing to the global endeavor to combat climate change. • Energy Efficiency Improvements: Specific energy efficiency targets have been instituted to decrease energy consumption across ATS' operations by a predetermined percentage over the next five years. These targets serve as a guiding framework to drive efforts in mitigating energy-related risks and reducing emissions. • Renewable Energy Adoption: ATS is devoted to amplifying the utilization of renewable energy sources to fulfill a predefined percentage of their total energy demand within the next three years. This strategic target aligns with their broader sustainability objectives while effectively addressing climate-related risks associated with energy sourcing. <p>ATS acknowledges the materiality of climate-related risks and opportunities. Remaining steadfast in their commitment to transparently disclose progress achieved toward these pivotal metrics and targets in forthcoming reporting. ATS continues to demonstrate proactive and responsible climate management as they advance toward a sustainable and resilient future.</p>
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	ESG Data Table, F2023 CDP Climate Change Report: C6.1, C6.3, C6.5	
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	F2023 CDP Climate Change Report: C4.1, C4.1a, C4.1b, C4.2, C4.2c	

¹ In addition to the F2023 CDP Climate Change Report, relevant material information regarding each of these factors is disclosed in the Company's public disclosures, including Management Discussion & Analysis and/or Interim and Annual Financial Statements and/or Annual Information Form, if or as necessary.

CLIMATE-RELATED RISKS AND MITIGATION STRATEGIES

Table 1. Examples of Climate-Related Risks with Mitigation Strategies.

RISK TYPE	POTENTIAL FINANCIAL IMPACT	TIME HORIZON [Short (1-3 yrs), Medium (4-10 yrs), Long (10-15 yrs)]	MITIGATION STRATEGY
Transition: Policy and Legal	a) Increased pricing of greenhouse gas emissions due to regulations and regional energy shortages with resulting price increases	Long	<p>On a quarterly basis, ATS conducts assessments to evaluate the potential impact arising from shifts in climate-related regulations and legal actions. This proactive monitoring ensures that the organization remains abreast of evolving regulatory landscapes and potential litigation, thereby enabling them to respond effectively to emerging climate-related challenges.</p> <p>Parts of the world are experiencing energy shortages which appear to be related to a resurgence in demand due to an economic recovery in certain regions, regulatory restrictions, weather events, and challenges related to the transition to renewable energy generation. Prices for energy inputs critical to manufacturing, such as electricity and natural gas, rose dramatically in parts of Europe and Asia in 2022 and may continue to increase in these or other markets. Russia's invasion of Ukraine is expected to continue to disrupt natural gas supplies from Russia to Europe and/or may continue to cause elevated prices to rise further. Prolonged energy disruptions and/or significant energy price increases could have an adverse effect on the Company's operations and profitability.</p>
Physical: Acute	a) Reduced revenue from business disruption	Long	<p>ATS takes a proactive stance in incorporating climate change data into the emergency response plans for all our facilities. These plans outline detailed activities aimed at mitigating the potential risks of physical damage resulting from climate-related events. Additionally, our risk identification processes are designed to create comprehensive plans that not only facilitate the continuation of critical operations in the event of a disaster but also enable the swift recovery of essential systems and technology. This strategic approach underscores our commitment to ensuring operational resilience and safeguarding our assets against climate-induced disruptions.</p> <p>Natural disasters, extreme weather, acts or threats of war or terrorism, international conflicts, political instability, and the actions taken by governments could cause damage to or disrupt ATS' business operations, suppliers, or customers and could create economic instability. Although it is not possible to predict such events or their consequences, these events could decrease demand for the Company's products and services or make it difficult or impossible for the Company to deliver products and services. If ATS cannot complete its contracts on time, it may be subject to potential liability claims from its customers.</p>
	b) Insurance coverage risks	Long	<p>ATS maintains property, business interruption, casualty insurance, credit insurance, and other coverages. Such insurance may not cover all risks associated with the hazards of the Company's business and is subject to limitations, including policy exclusions, deductibles, and maximum liabilities covered. The Company is potentially at risk if one or more of its insurance carriers fail. Additionally, severe disruptions in the domestic and global financial markets could adversely impact the ratings and survival of some insurers. In the future, ATS may not be able to obtain coverage at current levels, if at all, and premiums may increase significantly on coverage that is currently maintained.</p>
	c) Disruption to supply chain logistics due to weather-related impacts on transportation	Medium	<p>Inability to secure enough raw materials and other inputs to meet sales demands could negatively impact sales and earnings. Most equipment and other supplies that are integrated into automation systems and products are typically available from several suppliers. Customers may specify a particular supplier for certain components of their automation system, and this specification may constrain the availability of that equipment or supply. Depending on the nature and scope of a weather-related event, the impact may be localized or more widespread.</p>
	d) Disruption to downstream logistics due to weather-related impacts to transportation	Medium	<p>Inability to secure transport for delivery of products and services in accordance with contractual obligations due to weather-related impacts could negatively impact sales and earnings. Logistics services are typically available from several suppliers. Depending on the nature and scope of a weather-related impact, the effect may be localized or more widespread.</p>

Physical: Chronic	Increased cost related to increased need for cooling and heating due temperature changes	Long	ATS integrates energy efficiency and energy procurement considerations into our Annual Operating Plan processes as well as considers this risk as part of our due diligence processes for acquisitions. Increased energy costs for heating and cooling due to climate change has the potential to impact our overall energy costs. Our decarbonization strategy recognizes and addresses this risk as we continue to invest in infrastructure improvements to decrease our overall energy consumption.
Transition Risks (Policy and Legal, Technology, Reputation, Market) and Physical (Acute and Chronic)	No risks have been identified to have a substantive financial or strategic impact on business.	Not Applicable	Through ATS' risk management process, potential climate-related risks have been identified with none deemed to have a substantial material impact on the organization. ATS has proactively implemented various measures for risk identification and evaluation to address these identified risks. The Company's participation in the CDP bolsters its capacity to identify, measure, and proactively mitigate climate change-related risks in the future.

Table 2. Examples of Climate-Related Opportunities with Strategies to Realize the Opportunity.

Resource Efficiency	Reduced operating costs through landfill waste diversion opportunities	Short	As ATS Corporation expands its operations, opportunities to enhance waste diversion have been recognized within several new acquisitions. Through the implementation of processes focused on waste reduction, separation, and diversion, ATS Corporation anticipates realizing improvements in resource efficiency, cost reduction related to waste disposal, and a decrease in input material expenses.
Energy Source	Use of low-emission sources of energy, which may reduce direct operating costs and reduce exposure to future fossil fuel price increases	Short	ATS' fleet management strategy encompasses a shift toward predominantly lower-emission vehicles, including fully electric and hybrid options. This strategic evaluation process holds particular relevance within the European context, where the company maintains a more significant concentration of leased vehicles. The practice of replacing combustion-engine vehicles with electric or hybrid alternatives is systematically evaluated as each vehicle reaches the conclusion of its lease term.
Products and Services	Development and/or expansion of low-emission goods and services may lead to a better competitive position to reflect shifting consumer preferences, resulting in increased revenues	Short	ATS recognizes growth opportunities within the electric vehicle market and the production of electric batteries. In response to heightened consumer interest in emission-free vehicles, the company is strategically focused on the design and commissioning of automation lines for battery production across multiple regions. ATS also actively supports the expansion of solar and nuclear energy markets by facilitating customer endeavors to develop cleaner sources of energy production. The organization remains steadfast in its commitment to providing manufacturing solutions characterized by reduced energy demands, aligning with their customers' objectives to curtail energy consumption and emissions.

APPENDIX D

GRI

Content Index with Reference

Statement of use:

ATS Corporation has reported the information cited in this GRI content index for F2023 (April 1, 2022 – March 31, 2023) with reference to the GRI Standards

GRI used:

GRI Standards: Universal Standards 2021 and Topic Standards

GRI STANDARD INDICATORS		CHAPTER/PARAGRAPH	NOTES AND OMISSIONS	PAGE
GRI 2-1	Details of the organization	Who We Are		3, 4
GRI 2-2	Entities included in the Sustainability Report	Our Approach to Sustainability		7
GRI 2-3	Reporting period, frequency and contact point	Our Approach to Sustainability		7
GRI 2-4	Updating of information	Our Approach to Sustainability		7
GRI 2-5	External assurance		This Sustainability Report is not externally assured	
GRI 2-6	Activities, value chain and other business relationships	Who We Are		4
GRI 2-7	Employees	Social / ESG Data		20, 21, 35
GRI 2-9	Governance structure and composition	Governance		30, 31
GRI 2-11	Chair of the highest governance body	Governance		31
GRI 2-12	Role of the highest governance body in supervising the management of impacts	Governance TCFD / Reporting Table		30, 38
GRI 2-13	Delegation of responsibility for managing impacts	TCFD Reporting Table		38
GRI 2-14	Role of the highest governance body in sustainability reporting	Governance / TCFD Reporting Table		7, 30, 38
GRI 2-17	Collective knowledge of the highest governance body	Governance		31
GRI 2-22	Statement on sustainable development strategy	A Message from Our CEO Our Approach to Sustainability		6, 7, 9
GRI 2-23	Policy commitments	Governance		31
GRI 2-24	Embedding policy commitments	Governance		31
GRI 2-25	Processes to remediate negative impacts	Governance / TCFD Reporting Table		31, 39
GRI 2-26	Mechanisms for seeking advice and raising concerns	Governance / TCFD Reporting Table		31, 39
GRI 2-27	Compliance with laws and regulations	Environment / TCFD Reporting Table		15, 39
GRI 2-28	Membership associations	Environment		15
GRI 2-29	Stakeholder engagement	Our Approach to Sustainability		8

GRI 3: Material Topics

GRI STANDARD INDICATORS		CHAPTER/PARAGRAPH	NOTES AND OMISSIONS	PAGE
GRI 3-1	Process for determining material topics	Our Approach to Sustainability		8
GRI 3-2	List of material topics	Our Approach to Sustainability		8
MATERIAL TOPIC: EMISSIONS				
GRI 3-3	Managing the material topic	Environment		11, 13
GRI 305-1	Direct (Scope 1) GHG emissions	Environment / ESG Data		11, 33
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Environment / ESG Data		11, 33
GRI 305-3	Other indirect (Scope 3) GHG emissions	Environment		11
GRI 305-4	GHG emissions intensity	Environment		11
GRI 305-5	Reduction of GHG emissions	Environment		13
MATERIAL TOPIC: ENERGY CONSUMPTION/CLIMATE CHANGE				
GRI 3-3	Managing the material topic	Environment		13
GRI 302-1	Energy consumption within the organization	Environment		14
GRI 302-3	Energy intensity	ESG Data		33
GRI 302-4	Reduction of energy consumption	Environment		9, 12
GRI 302-5	Reductions in energy requirements of products and services	Social		25
MATERIAL TOPIC: HEALTH AND SAFETY				
GRI 3-3	Managing the material topic	Social		18, 19
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GRI 403-2	Hazard identification, risk assessment and incident investigation	Social		19
GRI 403-4	Worker participation, consultation and communication on occupational health and safety	Social		19
GRI 403-6	Promotion of worker health	Social		24
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social		19
GRI 403-8	Workers covered by an occupational health and safety management system	Social		18
GRI 403-9	Work-related injuries	Social / ESG Data		19, 34