

NANOXPLORE INC.

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| POLICY NAME: Conflict and Critical Materials Policy |                  |  |             |
| Policy No.: P-00-V1-2024                            | Revision Number: | Last Revised/Adopted on:<br>May 14, 2024 | Page 1 of 5 |
| Policy Scope: ALL LOCATIONS                         |                  |  |             |

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## Company Overview

NanoXplore Inc. and all its operating divisions and subsidiaries (collectively, referred to as "NanoXplore") are steering the forefront of innovation in nanotechnology. Renowned as a leading provider of graphene-enhanced solutions across diverse industries such as electronics, energy storage, aerospace, and automotive, NanoXplore is synonymous with ingenuity and sustainability. We are committed to minimizing environmental impact while delivering top-tier products globally. Integrity pervades every facet of our operations, from responsible material sourcing to supply chain management, as we strive to redefine industry standards and contribute to a more sustainable future.

## Introduction

NanoXplore recognizes the imperative of responsible sourcing and management of materials, particularly those classified as conflict minerals or critical materials. This Conflict and Critical Materials Policy delineates NanoXplore's commitment to upholding ethical standards in its supply chain, mitigating the risk of contributing to conflicts or environmental degradation. It encompasses as well extended minerals and materials of concern, along with those in high-risk areas or posing significant environmental, social, and governance (ESG) risks.

### Purpose

The purpose of NanoXplore's Conflict and Critical Materials Policy is to:

- Ensure compliance with all applicable laws and regulations related to conflict minerals and critical materials.
- Support humanitarian efforts to end human rights violations associated with the extraction and trade of conflict minerals.
- Mitigate the risk of contributing to armed conflicts and environmental degradation through responsible sourcing practices.
- Promote transparency and accountability throughout NanoXplore's supply chain.

### Scope

This policy applies to all NanoXplore employees, suppliers, and partners engaged in procuring and utilizing materials in our products and operations. It covers the sourcing, handling, and disposal of conflict minerals, extended minerals, critical materials, and materials of concern. Additionally, it includes any scrap and/or recycled materials derived from these sources.

## Definitions

### Conflict Minerals

Conflict minerals, extracted from cassiterite, columbite-tantalite, and wolframite, yield metals like tantalum, tin, tungsten, and gold, collectively referred to as the 3TG. Regulatory measures in the US and EU aim to eliminate unethical practices associated with these minerals. The Democratic Republic of Congo (DRC), along with neighboring countries such as Angola, Burundi, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda, and Zambia, are historically affected by armed conflict and are considered high-risk regions. However, the term "DRC conflict-free" extends to minerals from non-conflict areas, like Canada. Regardless of extraction location, the 3TG minerals are considered conflict minerals, prompting standardized compliance efforts by the US and EU through regulations like Section 1502 of the Dodd-Frank Act and EU Regulation 2017/821.

### Extended Minerals

In addition to those covered by the Dodd-Frank Act and EU regulations, there are several other minerals with sourcing issues linked to funding armed groups and human rights conflicts. These include cobalt, mica, copper, and lithium.

### Critical Material

Critical materials, pivotal in various industries, experience fluctuating importance due to evolving supply and demand dynamics, technological advancements, and societal shifts. Notable examples like nickel, graphite, and zinc illustrate this fluidity. While specific lists vary globally, critical minerals are characterized by their irreplaceability, strategic significance, and concentration in extraction and processing locales.

### Materials of Concern

Materials of concern refer to substances that are identified as potentially harmful to human health or the environment. These substances may include chemicals, compounds, or elements that, either through their intrinsic properties or their interaction with other substances, pose risks such as toxicity, carcinogenicity, environmental persistence, or bioaccumulation. Examples of materials of concern include heavy metals like lead and mercury, persistent organic pollutants (POPs) such as polychlorinated biphenyls (PCBs), certain pesticides, volatile organic compounds (VOCs), and endocrine-disrupting chemicals (EDCs).

## NanoXplore's Supplier Expectations – 11 Key Principles

NanoXplore holds its suppliers accountable for adhering to these standards throughout their entire supply chain, including subcontractors, contractors, and all tiers of suppliers. This requirement is particularly crucial for entities directly involved in manufacturing or providing services for any part of the NanoXplore Group, including parent, subsidiary, or affiliated entities. Furthermore, this responsibility extends to all individuals associated with these entities, encompassing full-time and part-time employees, contractors, trainees, temporary workers, management, board members, and agents, among others.

1. **Commitment to Ethical Sourcing:** Suppliers must demonstrate a steadfast commitment to ethical sourcing practices, ensuring that all materials procured align with NanoXplore's standards of integrity and sustainability.
2. **Compliance with Applicable Regulations:** Suppliers are required to adhere to all relevant laws and regulations governing conflict minerals and critical materials in their operations.
3. **Humanitarian Considerations:** Suppliers must actively support humanitarian efforts aimed at eliminating human rights abuses associated with the extraction and trade of conflict minerals.
4. **Environmental Responsibility:** Suppliers are expected to prioritize environmental stewardship, minimizing adverse impacts on ecosystems and natural resources throughout their operations.

5. Conflict-Free Sourcing: Suppliers must undertake diligent efforts to ensure that all materials procured are sourced from conflict-free regions, thereby mitigating the risk of contributing to armed conflicts.
6. Transparency and Accountability: Suppliers are encouraged to promote transparency and accountability within their supply chains, providing comprehensive information on the origin and sourcing practices of materials.
7. Responsible Disposal Practices: Suppliers must adhere to responsible disposal practices, ensuring the safe and environmentally sound handling of materials at the end of their lifecycle.
8. Continuous Improvement: Suppliers are encouraged to continuously evaluate and improve their sourcing practices, striving for excellence in ethical and sustainable procurement.
9. Collaboration and Partnership: Suppliers are expected to collaborate closely with NanoXplore, fostering a partnership based on shared values of integrity, transparency, and sustainability.
10. Compliance Monitoring and Reporting: Suppliers must establish monitoring mechanisms to ensure compliance with NanoXplore's Conflict and Critical Materials Policy. Regular reporting on sourcing practices and compliance efforts is required to maintain transparency and accountability within the supply chain.
11. Precautionary Principles: Suppliers are required to adopt precautionary measures to anticipate and mitigate potential risks to human health, safety, and the environment stemming from their operations. This involves actively evaluating and addressing foreseeable hazards to prevent any harm and maintain the utmost standards of precautionary vigilance.

## Conflict Minerals and Critical Materials Policy

NanoXplore is dedicated to sourcing and procuring materials and products essential for its operations exclusively from companies that uphold the highest standards of legality, ethics, and environmental responsibility. We diligently cultivate a supply chain that is both conflict-free and transparent in its operations, ensuring the integrity and sustainability of our processes.

Our policy encompasses a wide range of materials, including, but not limited to, conflict minerals such as the 3TG (Tin, Tungsten, Tantalum, Gold), Copper, Lithium, Cobalt, and Mica. It extends to cover the entire lifecycle of these materials, from sourcing and handling to disposal. Additionally, our commitment includes the responsible management of scrap and recycled materials derived from these sources.

NanoXplore fully aligns with and supports both the Dodd-Frank Act and the European Union (EU) Conflict Minerals Regulation. We pledge our unwavering compliance with these regulations as part of our dedication to ethical excellence and sustainability.

### Expectations for Suppliers regarding Critical Minerals and Critical Materials Policy

NanoXplore expects all suppliers to adhere to and cascade to their own supply chains the following guidelines and principles in alignment with our Critical Minerals and Critical Materials Policy:

- Compliance with Laws and Regulations: Suppliers must comply with all applicable laws, regulations, and industry standards governing the sourcing, handling, and disposal of critical minerals and materials. This includes but is not limited to the Dodd-Frank Act and the European Union Conflict Minerals Regulation.
- Ethical Sourcing Practices: Suppliers are required to demonstrate a commitment to ethical sourcing practices, ensuring that all materials procured and supplied to NanoXplore are obtained from responsible and reputable sources. This involves conducting due diligence to verify the origin and chain of custody of critical minerals and materials, with a focus on avoiding sourcing from conflict-affected regions or entities engaged in human rights abuses.

- **Environmental Responsibility:** Suppliers must prioritize environmental stewardship in their operations, minimizing adverse impacts on ecosystems and natural resources throughout the lifecycle of critical minerals and materials. This includes implementing sustainable practices for extraction, processing, and disposal, as well as reducing environmental pollution and mitigating climate change risks.
- **Transparency and Traceability:** Suppliers are expected to provide transparency and traceability in their supply chains, enabling NanoXplore to track the origin and journey of critical minerals and materials from extraction to end-use. This involves maintaining accurate records, documenting sourcing practices, and disclosing relevant information to facilitate due diligence and risk assessment.
- **Conflict Mineral Reporting:** Suppliers whose products contain Conflict Minerals to submit a Conflict Mineral Reporting Template (CMRT) annually. This ensures comprehensive disclosure of the material's source throughout the supply chain, up to the smelter level, reinforcing NanoXplore's and its supplier's dedication to responsible practices.
- **Collaboration and Partnership:** Suppliers should collaborate closely with NanoXplore to support the implementation of our Critical Minerals and Critical Materials Policy. This may include sharing information, participating in joint initiatives, and aligning strategies to promote responsible sourcing and sustainability across the supply chain.
- **Continuous Improvement:** Suppliers are encouraged to continuously evaluate and improve their sourcing practices, striving for excellence in ethical and sustainable procurement of critical minerals and materials. This involves identifying opportunities for enhancement, adopting best practices, and investing in capacity building to ensure compliance with evolving regulatory requirements and industry standards.

## Conclusion

In conclusion, NanoXplore reaffirms its unwavering commitment to ethical sourcing, environmental responsibility, and transparency in its supply chain operations. By adhering to the principles outlined in our Conflict and Critical Materials Policy, we strive to mitigate the risk of contributing to conflicts, human rights abuses, and environmental degradation associated with the extraction and trade of conflict minerals and critical materials. We believe that by upholding the highest standards of integrity and accountability, we can drive positive change and contribute to a more sustainable future for all.

### Commitment to Ongoing Review and Improvement

NanoXplore is dedicated to the ongoing review and improvement of our Conflict and Critical Materials Policy to ensure its continued effectiveness and alignment with our values and objectives. We will regularly assess our practices, engage with stakeholders, and monitor developments in regulations and industry standards to identify opportunities for enhancement. Through this commitment to continuous improvement, we will strengthen our supply chain resilience, promote responsible sourcing practices, and uphold our commitment to ethical excellence.

### Appreciation of Supplier Partnership

NanoXplore extends sincere appreciation to our suppliers for their partnership and commitment to ethical conduct and sustainability. We value the contributions of each supplier in supporting our mission to deliver innovative graphene-enhanced solutions while upholding the highest standards of integrity and environmental responsibility. Together, we can drive positive change, foster transparency, and build a more sustainable future for generations to come.

### Contact Information for Inquiries and Concerns

If you have any inquiries or concerns regarding NanoXplore's Conflict and Critical Materials Policy or wish to report any suspected violations, please feel free to contact us:

i) Write to us at:

NanoXplore Inc  
Compliance  
4500 boulevard Thimens  
Saint-Laurent, Québec, H4R 2P2  
Canada

ii) E-mail us at: [compliance@nanoxplore.ca](mailto:compliance@nanoxplore.ca)

Reports can be made anonymously and will be treated with strict confidentiality. We encourage open communication and dialogue to address any questions or concerns promptly and effectively. Thank you for your partnership and commitment to ethical excellence.

## Acknowledgment

By signing this document, Supplier agrees to comply with the terms set forth herein for all of the Supplier's affiliated and related entities for any products and/or services supplied to NanoXplore and its affiliated and related entities.

Supplier:

Signature: \_\_\_\_\_ Date Signed: \_\_\_\_\_

Full Name: \_\_\_\_\_

Title: \_\_\_\_\_