



**SUSTAINABILITY  
2025 REPORT**

**nano**  **XPlore**

Performance Through Carbon Chemistry

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# 1. ABOUT THE REPORT

## 1.1. APPROACH AND SCOPE

### Structure:

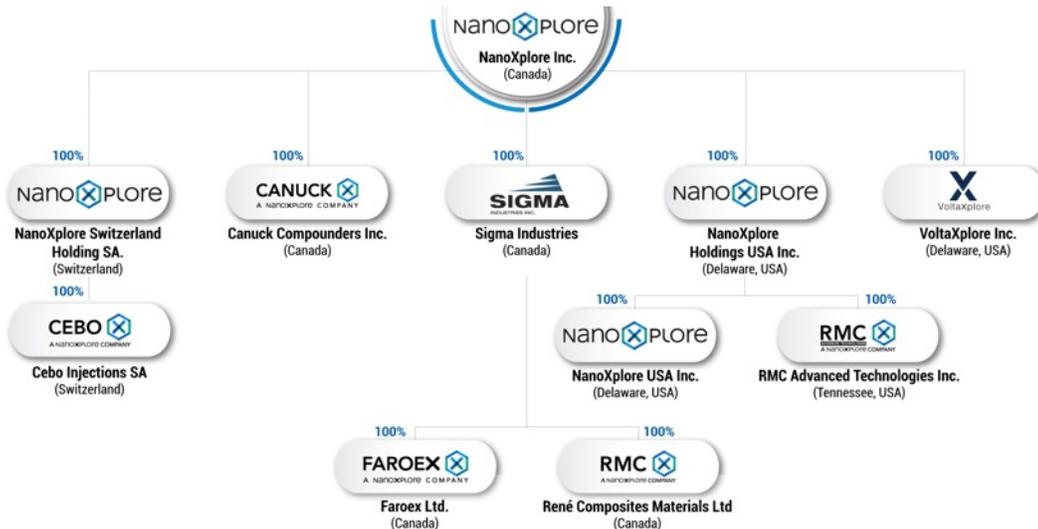
This report introduces NanoXplore Inc's ("NanoXplore") sustainability performance, future strategies, and goals. We have based this inaugural sustainability report on the Global Reporting Initiative (GRI) framework. Key performance indicators, the GRI index, and a list of abbreviations can be found in the appendix.

### Scope and period:

This report covers all entities of NanoXplore for the fiscal year starting July 1<sup>st</sup>, 2024, to June 30<sup>th</sup>, 2025.

At NanoXplore, we believe sustainability must be integrated at the core of our business. Our main product, GrapheneBlack™, is a sustainable alternative to carbon black, and while our products inherently contribute to reducing environmental impact, we are committed to further enhancing our sustainability efforts through the three key pillars: Environment, Workforce & Community, and Accountability & Corporate Governance.

Therefore, this report covers the activities of all NanoXplore Inc. companies, including:



- **CarbonTech** (Thimens) ("CarbonTech")
- **Canuck Compounds Inc.** ("Canuck")
- **VoltaXplore Inc.** ("VoltaXplore")
- **Faroex Ltd.** ("Faroex")
- **Rene Composites Materials Ltd.** ("RMC")
- **RMC Advanced Technologies Inc.** ("RMC AT")
- **CEBO Injections SA.** ("CEBO")

While this report was not subject to an external audit, it has been reviewed by all members of the senior management, members of the board knowledgeable on sustainability topics, and our legal department to ensure accuracy and reliability of the information presented.

## 1.2. REPORTING STANDARDS

For our inaugural sustainability report, we selected the GRI as our primary disclosure framework, due to its clear reporting guidelines and strong industry reputation. We also conducted an analysis of extra-financial reporting practices among our industry peers to ensure alignment with best practices.

## 1.3. NON-IFRS INDICATORS OF INTEREST

This report incorporates several non-IFRS financial measures to provide additional insights into our operational performance and the economic impact of our sustainability initiatives. Incorporating non-IFRS indicators was essential to better analyze the financial impacts associated with our sustainability-related risks, as identified in the double materiality assessment.

Although these indicators are also disclosed in NanoXplore's FY25 annual report, their inclusion here allows stakeholders to better understand how sustainability influences our business decisions. Strengthening the connection between financial performance and sustainability is key to fostering stakeholder engagement and responsible stewardship, particularly for investors and shareholders.

### First steps on our Sustainable Development Goals

Out of the 17 Sustainable Development Goals (SDG) established by the United Nations (UN), NanoXplore has identified three goals that are particularly relevant to its activities and areas of influence. The selection reflects both the nature of its industrial activities and its intention to focus on areas where it can contribute in a meaningful and measurable manner.

The SDGs retained for this report are outlined below, together with a brief description of their relevance to NanoXplore.



## SDG 6 – Clean Water and Sanitation



Water is an essential resource in the production of GrapheneBlack™. As such, responsible water use and effective wastewater management are important considerations for NanoXplore. Particular attention is given to the protection of water sources for sites relying on well systems. For more information, refer to page [16](#).

## SDG 9 – Industry, Innovation and Infrastructure



As a participant in a technology-driven and rapidly evolving industry, innovation is a core component of NanoXplore's strategy. Ongoing investment in research and development ensures product advancement and contributes to the long-term competitiveness of GrapheneBlack™-related solutions. For more information, refer to page [24](#).

## SDG 12 – Responsible Consumption and Production



NanoXplore seeks to promote responsible resource management across its operations. Efforts to improve waste management and production efficiency form part of a broader approach to reducing environmental impacts while supporting operational performance. For more information, refer to page [13](#).

## 2. A MESSAGE FROM THE CEO



Over the past year, NanoXplore continued to demonstrate industrial applications where graphene enables a more sustainable future by providing lighter, more durable, and energy-efficient solutions across industries

NanoXplore's GrapheneBlack™ improves plastics, polymers, and composites by significantly enhancing strength, durability, and performance. With remarkable resistance to UV, chemicals, and harsh environmental conditions, along with superior thermal and electrical conductivity, GrapheneBlack™ enables lighter, stronger, and more efficient materials. At NanoXplore, we don't just supply materials, we empower industries to innovate solutions that drive efficiency, sustainability, and performance.

We're strategically allocating investments to growing our dry-processed graphene to increase our market share in various applications such as insulation foams, recycled plastics, and lightweight composites. This aligns with our commitment to sustainable materials, ensuring our growth creates shared value.

This inaugural sustainability report marks a critical step for us: establishing our baseline to understand our current impact and identify opportunities to turn sustainability into a competitive advantage. More than just innovating materials, we're committed to responsible business practices that create value for all stakeholders.

This report outlines a roadmap for future initiatives. By understanding and reducing our carbon footprint and enhancing recycling and circularity, we want to set high standards for our operations and industry leadership. Our commitment to sustainability will become a competitive edge, the deeper we integrate these principles, the greater the long-term benefits for NanoXplore, our stakeholders, and the industries we serve.

We will continue this collective effort, from our employees to our leadership, as we work together to embed sustainability into every aspect of our business, from advanced material innovation to responsible business.

## 2. ABOUT NANOXPLORE INC.

### 3.1. THE COMPANY

NanoXplore is a leading graphene company, specializing in the manufacturing and supply of high-volume graphene (GrapheneBlack™) powder for industrial markets. We provide both standard and custom graphene-enhanced plastic and composite products to customers across various sectors, including transportation, packaging, piping, film, electronics, and other industrial sectors.

Headquartered in Montreal, Quebec, NanoXplore employed 363 employees across North America and Europe. Our business is structured around two main product portfolios: graphene powder and graphene-enhanced solutions.

NanoXplore Inc. closely collaborates with end-customers and compounders, providing GrapheneBlack™ powder, while offering expertise in its integration into polymers & liquids.

Our various locations specialize in diverse products and technologies:

- **VoltaXplore** manufactures graphene-enhanced high-performance lithium-ion batteries for non-EV & non-BESS markets.
- **RMC & RMC-AT** produce molded and composite plastic parts.
- **CEBO** specializes in high-pressure injection molding, used for intricate and delicate plastics.
- **Faroex** offers a wide range of composite manufacturing processes, including pultrusion, resin infusion, reactive injection molding, and structural injection molding.
- **Canuck** offers custom compounding of commodity and engineered resins that comes from recycling materials.

To empower our people within a business framework committed to enhancing performance through carbon chemistry, enabling superior results for our employees, our customers, our suppliers, our shareholders, our community, and our environment.

#### MISSION



Our vision is to create a better tomorrow by providing innovative, sustainable products and solutions across multiple industries and applications.

#### VISION



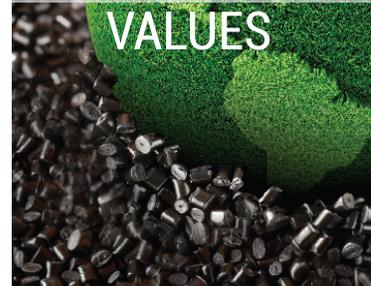
**Solution oriented:** Delivering sustainable solutions to industry leaders through our innovative products.

**Accountable:** Acting as a responsible corporate citizen, committed to ethical and transparent business practices.

**Profitable:** Ensuring long-term investment returns to our shareholders.

**The more sustainable, the better:** Continuously striving for more sustainable production methods.

#### VALUES



### 3.2. OUR FINANCIAL HIGHLIGHTS

Non-IFRS Indicator	2025 CAD	2024 CAD
Annual revenue	128,918,388	129,992,368
Loss	9,657,120	11,665,006
Operating loss	8,919,357	10,795,676
Debt	4,312,924	6,346,503
Gross margin	21,362,534	20,752,032
Cash flows generated from operating activities	5,952,317	4,421,768
Cash flows used from investing activities	12,025,281	10,648,231
CAPEX	14,311,045	9,775,449
<b>Adjusted EBITDA</b>		
Company-wide adjusted EBITDA	6,122,283	2,519,134
Advanced Materials, Plastics and Composite Products EBITDA	6,847,826	5,176,437
Battery Cells and Materials adjusted EBITDA	(725,543)	(2,657,303)

### 3.3. NON-FINANCIAL HIGHLIGHTS



### 3.3.1. Our plants certifications



## 3.4. DOUBLE MATERIALITY ASSESSMENT

### 2.4.1. An Inside-out & Outside-in angle

Double materiality assesses material impacts of a company on the environment and society (impact materiality) as well as material sustainability-related risks and opportunities affecting the company's financial performance (financial materiality).

### 2.4.2. A comprehensive perspective

In today's business landscape, a double materiality assessment is a core element of companies' sustainability strategy. It enables the proactive identifying and prioritizing of the sustainability topics most relevant to their business, their stakeholders, and their long-term success, while addressing key challenges related to responsible business practices, workforce safety, and accountability.

NanoXplore will conduct its double materiality assessment during the next fiscal year. The double materiality assessment will support the development of a focused sustainability strategy by helping

us allocate resources effectively, mitigate risks, and seize opportunities that create long-term sustainable value. Understanding our material topics will allow us to align our operations with stakeholder expectations and respond to evolving market and environmental realities.

Rising customer expectations for transparency, ethical practices, and sustainable products will further reinforce the importance of concentrating on the issues that matter most, supporting both brand credibility and long-term customer relationships.

To identify these priorities, we plan to conduct a survey with internal and external stakeholders, which will result in a double materiality matrix defining NanoXplore's key sustainability topics for the next five years.

At the time of publication of this report, the double materiality assessment has already been conducted, finalised, and is now used to guide the sustainability strategy. Further details regarding these changes will be provided in the FY26 Sustainability Report.

### 2.4.3. Stakeholder engagement

At NanoXplore, we recognize the importance of aligning our actions with the expectations and interests of our stakeholders. To enhance the quality and depth of our report, we are committed to engage with stakeholders, allowing us to better understand and address shared concerns while proactively analyzing external trends to mitigate risks, as reflected in the materiality matrix. NanoXplore's key stakeholders include employees, customers, shareholders and suppliers.

Additionally, our Code of Ethics and Conduct, along with our Conflict and Critical Material policies, require collaboration among our employees and business partners to uphold transparency and ethical standards. Collaborating with our diverse stakeholders across the value chain is essential to achieving our sustainability goals and fostering responsible business practices.

Finally, we conducted a risk assessment of our key suppliers based on our Modern Slavery Policy, in collaboration with the company Global Partner Solutions (GPSI). The results confirmed that NanoXplore actively considers supplier-related impacts and embeds sustainability evaluation as a core component of its responsible supply chain management.

More detailed information about the assessment can be found in the section "Supply chain management" on page [30](#).

## 4. THE 3 PILLARS



### 4.1. ENVIRONMENT

#### 4.1.1. GHG emissions and air quality

Our goal is to establish robust environmental management across all operations, ensuring responsible resource use and GHG emissions control.

We have been monitoring our GHG inventory annually since 2020, aligning with our values, regulations, and ongoing disclosure commitments. While some of our plants report their emissions in compliance with the Greenhouse Gas Protocol, most are exempt as they fall below the GHG threshold. This monitoring enables us to track emission trends, identify major sources, and implement targeted KPIs to maintain emissions below regulatory limits and move towards decarbonation. To support these tasks, we started using a GHG management software earlier this year to track, collect, calculate and analyse our global and specific GHG emissions.

Our approach focuses on finding cleaner production processes, increasing the reuse and recycling of scrap materials and wastes, and using the cleanest energy sources available at our facilities.

Opportunities to reduce GHG emissions are primarily identified through internal and external plant audits. However, due to the low emissions at most locations and the ongoing creation of strategic guidelines, significant improvements are limited at the time. Our most impactful efforts are concentrated at the CarbonTech facility in Montreal as well as the construction of the new plant for RMC-AT in Statesville. The main pathway for GHG emissions reduction would be the purchasing of electricity from renewable sources in all facilities, decreasing Scope 2 related emissions.

To start reducing our emissions, we have implemented several initiatives across our value chain. Production practices at the CarbonTech facility have been optimized to facilitate back-to-back shifts, reducing energy consumption linked to start-up and shutdown procedures. This initiative is particularly useful for processes that require pre-heating with natural gas.

Our recent investments in energy consumption measurement systems will further support our GHG reduction efforts. Additionally, dust filters and capture systems also play a crucial role in ensuring that air discharged from our production processes meets clean air standards.

In the coming years, we plan to start gathering different sources of Scope 3 emissions, we already calculate fuel and energy related activities emissions, and we want to include topics related to business travels and employee commute.



By integrating Scope 3 emissions, we aim to engage more with suppliers and stakeholders to drive emission reductions throughout our value chain.

Our long-term ambition is to achieve emission reduction targets, not while relying on carbon trading, focusing instead on buying electricity from renewable sources, and through direct emission reductions through innovative technology, sustainable sourcing strategies, and more efficient production practices.

GHG EMISSIONS	
<b>Scope 1 market based</b>	
Total emissions	2,557 T COe
From stationary combustion	2,414 T COe
From mobile combustion	144 T COe
<b>Scope 2</b>	
Total emissions	1,101 T COe
<b>Scope 3*</b>	
Category: Fuel and energy-related activities	758 T CO2
<b>Total GHG emissions</b>	
Scope 1-2-3*	4,418 T CO2

\* At this stage, Scope 3 data are partial, as they have been calculated only for fuel and energy-related activities. The number of Scope 3 categories covered will increase over time.

#### 4.1.2. Energy efficiency

In 2025, we relied on a combination of electricity, and mobile & stationary fuels to power our facilities. However, our Quebec-based plants, including CarbonTech, VoltaXplore, and RMC, benefit from low-carbon electricity as the primary energy source comes from hydroelectricity, resulting in a significantly reduced scope 2 emissions. In contrast, our RMC-AT site primarily relies on an energy mix, which generates more GHG emissions.

Despite variations in energy supply, we are committed to enhancing energy efficiency across all locations and several initiatives have already contributed to reducing energy consumption. At CarbonTech, we have installed soft-start equipment, variable-speed control compressors, and LED lighting, while CEBO has also replaced outdated, energy-intensive machinery. At Faroex, modifications to dust collection piping have eliminated the need for an entire dust collector, reducing overall energy consumption. Meanwhile, RMC is improving its energy profile with a solar wall at Sainte-Clotilde 1 and is awaiting approval for a Hydro Quebec grant to fund a new energy-efficient compressor. Canuck runs capacitor banks to reduce electricity usage; RMC-AT installed a new heating system reducing electricity consumption by 123 GJ.

While rented facilities present limitations for implementing on-site renewable energy solutions, we continue to explore opportunities for improvement. For example, at Thimens, a biweekly process impact assessment monitors and reports any abnormal deviations in power consumption, ensuring proactive energy management.

Beyond reducing our own energy footprint, NanoXplore's activities contribute to the renewable energy sector. Graphene's unique properties enable the development of more sustainable solutions, requiring less energy during both production and usage. Additionally, VoltaXplore's advancements in Energy Dense Battery Cell manufacturing have the potential to enhance energy efficiency across several industries, further reinforcing our role in global sustainability efforts.

Looking ahead, we aim to find ways to reduce our energy footprint through initiatives like producing renewable energy at fossil fuel-reliant sites, purchasing Renewable Energy Certificates (REC), and implementing circular economy measures to reuse heat generated during manufacturing processes.



ENERGY CONSUMPTION	
Electricity	19,505,386 kWh
Electricity intensity	784 kWh / T produced
Heating consumption	9,950,003 kWh
<b>Type of fuels</b>	
Heavy fuel oil	5,122 L
Natural Gas	808,171 m <sup>3</sup>
Diesel	3,312 L
Propane	153 m <sup>3</sup>

#### 4.1.3. Environmental, Health and Safety Regulations

Environmental, health and safety (EHS) regulations are a core priority for NanoXplore, ensuring the protection of our employees and the environment, while a strong safety culture remains a complementary focus valued by our workforce and by the board. We dedicate substantial resources to ensure our operations meet local, regional, and national laws and regulations through continuous monitoring, and regular audits, while going the extra step through the implementation of best practices in safety and environmental stewardship. By maintaining a proactive approach, we mitigate the risks while upholding operational continuity and foster a culture of responsibility that supports long-term sustainability while strengthening our industry reputation.



In Canada, our operations comply with the Canadian Labour Code, the Canadian Environmental Protection Act (CEPA), and provincial regulations such as Quebec's Environmental Quality Act, Ontario Occupational Health and Safety Act, and Manitoba Workplace Safety & Health Act.

We also comply with Occupational Health and Safety legislation to ensure employee well-being, and, in the United States, our facilities meet Environmental Protection Agency (EPA) regulations, including the National Environmental Policy Act, as well as Occupational Safety and Health Administration (OSHA) standards. In Switzerland, we follow the Law on Work (LTr) and the Law on accident insurance (LAA) for health and safety, as well as other mandatory regulations on dangerous products, and environmental protection.

Each of our facilities implements tailored measures to ensure regulatory compliance and to actively build and integrate a strong safety culture:

**CarbonTech** uses a software to keep track of all applicable regulations, supported by an Aspects & Impacts management process that helps prevent incidents and facilitates effective responses to environmental events, while RMC conducts annual legal reviews and maintains direct communication with municipal authorities to stay informed about regulatory updates.

**Faroex** follows weekly newsletters from Environment & Climate Change Canada and the Canadian Centre for Occupational Health and Safety, conducts quarterly Volatile Organic Compounds (VOC) monitoring, tracks water temperature and usage on a weekly basis, and performs quarterly safety inspections to address potential hazards.

**RMC-AT** maintains compliance through a regulatory compliance matrix, an EHS calendar, and regular Aspect & Impact list reviews.

**CEBO** however, currently lacks a robust monitoring process and only relies on unannounced checks by authorities. Moving forward, we aim to establish stronger compliance processes in locations that do not yet have dedicated monitoring systems, ensuring a consistent approach to regulatory adherence across all our operations.

Many of our facilities, particularly those certified to ISO 14001, undergo annual or triennial external audits. As a result, all our locations achieved full regulatory compliance in fiscal year 2025. Looking ahead, we aim to refine and strengthen our compliance systems to align with evolving regulations, reinforcing our commitment to environmental responsibility and workplace safety.

#### 4.1.4. Ecological Impacts

The resilience of ecosystems and businesses are interconnected, making it essential to assess the actual and potential impacts of industrial activities on natural ecosystems and biodiversity. While NanoXplore's facilities are not located in areas of high ecological risk, our operations still contribute to minor environmental changes that could affect local ecosystem resilience. We acknowledge our reliance on natural resources and the potential environmental impact of our operations.

Our facilities have identified several potential ecological impacts including pollution, soil and water contamination, noise pollution, and GHG emissions. Those potential impacts are managed through structured processes such as audits, impact matrices, training programs, and waste management systems designed to mitigate and prevent environmental impacts. However, some plants are at different stages of environmental assessment, highlighting the need to enhance monitoring systems and strengthen preventive measures across all locations.

As a company operating in the materials and chemical industries, we have a responsibility to minimize anthropogenic impacts on biodiversity and support ecosystem resilience. The recent ISO 14001 recertifications for CarbonTech, RMC, and RMC-AT demonstrates our ongoing commitment to environmental conservation and biodiversity protection.

#### 4.1.5. Waste management



In connection with the 12<sup>th</sup> Sustainable Development Goal on responsible consumption and production, NanoXplore is committed to adopting sustainable waste management practices that minimize resource consumption and waste generation. It will be a key component of our sustainability strategy, allowing us to improve operational efficiency, reduce costs, and lower our environmental footprint.

##### 4.1.5.1. Waste Management Overview

Our operations generate both hazardous and non-hazardous waste, including dust particles, chemical by-products, and residual materials from chemical processes and research and development activities. Improper overall waste management poses significant risks for the environment and for our employee's health, as well as having potential legal or financial consequences. To mitigate those risks, each facility has implemented waste management protocols that focus on safe handling, storage, and disposal of waste while ensuring compliance with local, national, and international environmental and health & safety laws. However, waste management practices are not yet standardized across all locations, and improving consistency will be a key priority in the coming.

We recycle and divert a certain amount of our total wastes but due to ongoing procedures improvement, we were not able to gather precise data. We recognize our responsibility to manage hazardous and non-hazardous waste effectively, and will be implementing comprehensive protocols

and processes, including risk assessments, waste management strategies, and employee training programs.

GENERATED WASTES	
<b>Type of wastes</b>	
Non-hazardous	984,781 Kg
Non-hazardous directed to disposal	873,238 Kg
Non-hazardous diverted from disposal	111,543 Kg
Hazardous	58,482 Kg
Hazardous directed to disposal	57,777 Kg
Hazardous diverted from disposal	705 Kg

#### 4.1.5.2. Waste Reduction Initiatives

NanoXplore has implemented several initiatives to improve waste management. For instance, sample testing has been introduced to assess graphene mixes that fail automated quality tests. Previously, non-conforming materials were not considered for reuse nor recycling. With the new process, rejected products are sampled and analyzed to determine whether they can be reintroduced into production before reaching the drying phase. A similar approach is being developed for the extrusion phase of the production line.



Additionally, our R&D team is exploring ways to reuse materials in the GrapheneBlack™ paste collected from the water treatment zone and reintegrate graphene particles captured by dust collectors back into the storage silos. We are also expanding reuse and recycling practices, such as regrinding and reusing masterbatch scraps, a recycling project for specific production waste has been launched, and recyclable materials (cardboard, paper, plastics, etc.) are collected separately in dedicated bins. Combined with our commitment to prioritize local sourcing of raw materials, these initiatives aim to further reduce the environmental impact of our material consumption. Our facilities are also taking significant steps to improve waste management:

**Canuck**, whose core business revolves around plastic recycling, has implemented additional measures to further reduce waste production. By filtering contaminating inputs during thermoplastic

resin production process, they can extract polymers from diverted products and reintroduce them into the production line, minimizing raw material waste. In other terms, all the scraps generated by the extruders are ground up and are either reused in the process or sold. They also partner with a recycling program for paper and bottles from their office.

**RMC** manages waste internally, in alignment with their ISO 14001 certification. While most of their waste is linked to production volume, they actively collaborate with local organizations to explore new opportunities for waste reduction and recycling.

**Faroex** removes its non-hazardous wastes every two weeks, and its hazardous wastes annually. The company uses recycled plastic in its molding processes, and non-conforming molded parts are chopped up and reused, while scrapped parts are recovered to create smaller components. Their goal is to limit scrap output to 0.75%.

**CEBO** ensures that chemical wastes are handled externally by specialized companies. The facility uses regrind and regenerated raw materials to reduce the consumption of new raw materials and uses recycled scotch tape. Material tracking is conducted during production runs, and staff are trained to limit losses in case of deviations. CEBO plans to increase regenerated material usage and introduce hot runners in molds to reduce sprue waste. Additionally, when general waste can be resold or repurposed, the company ensures that it is done.

**RMC-AT** stores hazardous wastes in an on-site facility and recycles all metal wastes. In 2025, the company plans to introduce initiatives to reuse cardboard and paper in office spaces while implementing new key performance indicators to monitor waste reduction efforts.

#### 4.1.5.3. **Circularity and Plastics Recycling**

NanoXplore's GrapheneBlack™ technology enhances the recyclability of materials, challenging the misconception that most plastics follow a linear lifecycle. GrapheneBlack™ improves the processability, durability, and performance of recycled plastics, allowing materials to be reused beyond a single cycle and reducing overall waste. By promoting this sustainable technology, we encourage our customers to adopt more responsible consumption practices.

#### Commitment to a Sustainable Future

Looking ahead, NanoXplore remains committed to continuously improve waste management practices. Beyond regulatory compliance, we aim to expand waste reuse and recycling initiatives, ensuring that materials are repurposed whenever feasible. By repurposing waste materials and reducing landfill volumes, we strive to minimize our environmental footprint and contribute to a cleaner, safer, and more sustainable future.

#### 4.1.6. Water management



Related to the 6<sup>th</sup> Sustainable Development Goal on clean water and sanitation, NanoXplore is committed to implementing responsible water management practices to reduce natural resource consumption and minimize wastewater production.

While 90% of NanoXplore facilities are in low-water stress areas, as identified by the World Resources Institute's Aqueduct Water Risk Atlas, the RMC-AT facility in Newton, North Carolina, faces medium to high water stress. Monitoring challenges at this site have delayed mitigation efforts, but we are developing concrete measures to reduce its water dependence in the coming years.

Water plays a role in the production of lithium-ion battery cells, plastic composites, and GrapheneBlack™ powder, but most of our facilities use water only in closed loop cooling systems for the machinery.

The primary water consumption takes place at CarbonTech, where manufacturing processes have been adapted to minimize water use. At this plant, extracted water is used, stored, and recycled through a dedicated water recycling system. Our monitoring focuses on priority substances of concern identified in the municipal permit, including lead, molybdenum, zinc, nickel, chromium, copper, tin, and selenium. Our partially closed-loop system enables us to recycle up to 75% of the water, ensuring constant decontamination, filtration, and quality control before it is reintroduced into production, following ISO14001 certification standard.

At Faroex and RMC, the water used in and returned from their closed loop system for cooling comes from a well. Faroex is subject to the licence from the Manitoba Water Stewardship.

#### WATER WITHDRAWAL

Total water withdrawal	33,056 m <sup>3</sup>
Total freshwater withdrawal	9,260 m <sup>3</sup>

#### 4.1.7. Chemical safety management

At NanoXplore, chemical safety is a fundamental aspect of our operations, guiding all manufacturing activities. Given the inherent risks associated with chemical handling, we prioritize strict compliance regulatory requirements to ensure that hazardous materials are managed safely and accessed only by authorized personnel. Safety Data Sheets are readily available, employees receive rigorous training, and spill containment systems are in place across all facilities. Each plant follows well-defined procedures for responding to leaks or spills, protecting both employees and the environment in accordance with their state / provincial / federal laws.

Chemical spills represent a significant risk in our industry. Regular risk assessments, best practices in chemical safety, and process reliability measures help us minimize potential hazards. In 2023, the Timens facility introduced a dedicated Accidental Spills and Leaks Management Guideline to provide clear, actionable steps for minimizing the impact of chemical spills on the environment, employee safety, and community well-being. Additionally, the water filtration system we use for our water management to treat wastewater and prevent chemical contamination is a key tool in chemical management stewardship.

In addition to our internal protocols, NanoXplore complies to stringent legal and regulatory requirements across multiple jurisdictions, including compliance with the Canadian Environmental Protection Act, the Toxic Substances Control Act (USA), and REACH (Europe & UK). As graphene is a novel chemical substance, navigating complex legislative frameworks is critical to maintaining high standards in safety, health, and environmental protection. Our ISO 9001 certification across NanoXplore as well as ISO 14001 certifications in CarbonTech, RMC and RMC-AT reflect our ongoing commitment to quality management and environmental responsibility.

Beyond regulatory compliance, chemical safety embodies our broader mission to balance efficient production with responsible resource use. We strive to mitigate risks while ensuring that ecosystems and communities remain protected.



## 4.2. PEOPLE & CULTURE

### 4.2.1. Employee Well-Being, Engagement, and Development

At NanoXplore, our employees are the foundation of our success. Their well-being, working conditions, and safety are central to our mission, and we are committed to continuously improving in these areas. We strive to foster a diverse, comprehensive, and supportive workplace where every employee feels valued, respected, and empowered.

We recognize that a healthy and engaged workforce is essential to achieving our goals. To support this, we actively promote work-life balance and offer flexible work arrangements, including full-time, part-time, and remote opportunities. We cultivate a workplace where employees have a sense of belonging, and where we encourage collaboration, innovation, and growth from all perspectives.



#### EMPLOYEE DEMOGRAPHIC BREAKDOWN

Total number of new hires	60
% of new hires - Women	20%
% of new hires - Men	80%
% of employees - Women	24%
% of employees - Men	76%
<b>Breakdown by age</b>	
Employees - Below 30 years	14%
Employees - 30-55 years	64%
Employees - Above 55 years	22%

### 4.2.2. Employee Satisfaction, Equity, and Training

Employee growth and development are core priorities at NanoXplore. By investing in training and skill development, we strengthen our workforce, support talent retention, and reinforce our commitment to continuous learning. These efforts equip our employees with the skills needed to thrive in an evolving industry.

#### TRAINING

Number of trained employees	245
Number of employees trained to first aid	21
Average hours of training - Women	27 h
Average hours of training - Men	40 h
Average hours of training - Interns	469 h
Total cost of trainings	760,962 CAD

We maintain an open and supportive work environment that actively listens to employees and values their needs and aspirations. Employee satisfaction is monitored through surveys and comprehensive performance reviews. All salaried employees, as well as hourly employees with managerial responsibilities, receive performance reviews every six months, ensuring ongoing feedback and development.

## PERFORMANCE REVIEWS

% Men	72
% Woman	28
Satisfaction survey score	4.5/5

Survey results demonstrate a high level of employee satisfaction. We aim to maintain and improve these results by continuously enhancing working conditions, benefits, and the overall work environment.

In 2025, our workforce continued to grow across various departments and experience levels. Internships remain a key element of our talent strategy, offering young professionals a pathway to long-term employment while bringing fresh perspectives to our teams. Each year, we focus on welcoming new talent while ensuring our existing employees remain engaged and supported.

However, NanoXplore's employee turnover rate reached 27%. This is primarily due to significant hiring and departures at its largest facility, RMC, which seasonal and student positions led to temporary increases in headcount, while resignations and contract completions contributed to workforce reductions.

### Unionised employees

Only Faroex has employees covered by a Collective Bargaining Agreement (CBA). 65% of the plant's workforce is covered, representing approximately 6% of the company's total employees, and their CBA is set to expire on December 16<sup>th</sup>, 2026, in Manitoba. The working conditions and terms of employment for non-union employees are partially aligned with certain benefits outlined in the collective bargaining agreement, while other benefits differ and are determined by the NanoXplore's corporate office.

### 4.2.3. Health & Safety management

At NanoXplore, health and safety training is an integral part of employee onboarding. Employees receive role-specific training, including lockout/tagout, workplace harassment prevention, and WHMIS. Training is delivered both online and on site, with refresher sessions provided as required by role. While NanoXplore complies with all applicable health and safety regulations, it does not currently have a formal OHS management system.

NanoXplore conducts annual safety risk assessments using a matrix that evaluates severity, frequency, and likelihood. These assessments are updated whenever changes occur, such as the installation of new equipment, incidents, or the identification of new risks. Employees are required to report unsafe conditions and are protected from retaliation in accordance with regulations in the United States, Canada, and Switzerland.

As outlined prior in the report, health and safety compliance is at the foundation of our incidents management, therefore all work-related incidents and near misses are thoroughly investigated. These investigations include employee interviews, site reviews, root cause analysis, and the implementation of corrective actions. Newly identified risks are incorporated into updated risk assessments to prevent recurrence. Hazards are eliminated or attenuated whenever possible, supported by engineering and administrative controls, with personal protective equipment used as required.

### Ill-health and injuries

Number of work-related ill health	10
Number of work-related injuries	20
Rate of Injury events relative to total workforce time	5%



#### 4.2.3.1. Common occupational health and safety practices across all plants

Across all NanoXplore facilities, health and safety practices emphasize employee participation, hazard identification, incident investigation, and continuous improvement. Employees are encouraged to report safety concerns through established channels without fear of retaliation. Joint Health and Safety Committees, or equivalent structures, support hazard identification, incident reviews, and corrective action recommendations.

Hazards are identified through regular inspections, risk assessments, and investigations of incidents and near misses. Operational changes are reviewed as needed, and corrective actions follow the hierarchy of controls, prioritizing elimination and substitution, followed by engineering and administrative measures, with PPE used when necessary.

Audits, inspections, and consistent training help maintain compliance and effectiveness across all plants. Employees receive mandatory training, task-specific instruction, and refresher sessions through digital platforms, toolbox talks, safety campaigns, bulletin boards, and meetings.

NanoXplore continues to strengthen its health and safety practices to reduce risks and protect employees. While each plant manages its own health and safety activities, all locations operate under shared principles and consistent standards.

#### 4.2.3.2. Plant-specific practices

**Canuck** uses a barcode scanning system to allow employees to report health and safety issues directly to management, and joint Health and Safety Committee meetings are held every other month. The plant emphasizes equipment upgrades and clear work procedures supported by training.

**CarbonTech** focuses on formal worker representation. Employees participate in inspections, risk assessments, and incident investigations. The Health and Safety Committee meets monthly and represents all worker groups. Safety information is shared through digital screens, notice boards, and campaigns. The Stop 360 program enables workers to proactively identify and assess potential risks associated with the machinery they are about to perform maintenance on. By conducting a comprehensive 360-degree inspection of the equipment before engaging any work, employees can better recognize hazards, ensure appropriate safety measures are in place, and reduce the likelihood of incidents during maintenance activities.

**CEBO** works with external safety organizations, including SUVA (Swiss National Accident Insurance Fund) and GIM (General Internal Medicine), for training and audits. Safety information is shared monthly, and onboarding training takes place on the first day of work. Risks are assessed using a risk matrix.

**Faroex** operates a structured safety program aligned with Manitoba legislation and NanoXplore practices. A joint management-union committee meets quarterly and conducts inspections and audits. All recordable incidents are reviewed using a 1x1 analysis, with corrective actions shared internally. Hazards are documented in standard operating procedures.

**RMC-AT** does not have a formal OHS management system but relies on regular meetings, toolbox talks, and direct communication. A joint Health and Safety Committee meets monthly and applies a 1x1 analysis for incidents. Employees receive mandatory OHSA, CPR, and site-specific training. Risk assessments are reviewed annually.

**RMC** provides extensive training covering key workplace hazards, including machinery, chemicals, confined spaces, and emergency response. Safety communication includes digital displays and suggestion boxes. Safety committees meet monthly and follow defined responsibilities. Incident response includes investigation, corrective actions, and follow-up audits.

#### 4.2.4. Caring about our employees

At NanoXplore, we prioritize employee well-being by offering benefits that support health, financial security, and overall quality of life. Employees have access to group insurance coverage that may include life insurance, accidental death and dismemberment, short- and long-term disability, as well as healthcare and dental coverage. In some locations, additional support is available through telemedicine and an Employee and Family Assistance Program, providing confidential medical and mental health services for employees and their families.

In certain regions, employees may also participate in retirement savings programs, such as a Registered Retirement Savings Plan (RRSP), with employer contributions to support long-term financial planning, as well as other pension plans in our plants in the United-States and in Switzerland. Health services are delivered through local healthcare providers, with telemedicine enabling remote consultations when available.

Beyond benefits, NanoXplore promotes employee engagement through initiatives such as an employee referral program. This program offers financial incentives for successful referrals, with rewards paid over a six-month period based on the new employee's tenure, supporting both collaboration and workforce growth.

Across most plants, a core set of benefits is offered, although eligibility and coverage vary. These typically include insurance coverage, healthcare and dental plans, and parental leave, with some locations also providing access to an employee assistance program.

Differences between plants are driven by local regulations, employment status, and role-based eligibility. Some benefits are limited to full-time employees or specific job categories, while others, such as telemedicine, retirement plans, vision coverage, paid time off, education reimbursement, or workers' compensation benefits, are offered only at certain locations.

Through this flexible approach, NanoXplore aims to provide meaningful and regionally appropriate benefits while supporting a diverse workforce and fostering a supportive work environment.

### PARENTAL LEAVE

Number of employees entitled to parental leave	337
Number of employees that took a parental leave	15



## 4.3. ACCOUNTABILITY & CORPORATE GOVERNANCE

### 4.3.1. Business ethics

At NanoXplore, we recognize the importance of integrating ethical and sustainable practices throughout our value chain. Embedding responsible business conduct into our corporate culture is essential to building strong relationships with stakeholders through transparency, integrity, and accountability.

Our commitment to business ethics is formalized through our Code of Ethics and supporting corporate policies (the policies can be found on our website: [www.nanoxplore.ca](http://www.nanoxplore.ca)).

The Code of Ethics covers a broad range of topics, including non-discriminatory hiring and employment practices, conflicts of interest, fair trading, fraud prevention, data privacy, and financial transparency. To reinforce these principles, NanoXplore has implemented several key policies, including Workplace Violence and Harassment, Whistle-Blowing, Anti-Bribery, Diversity, Equity and Inclusion, and Safe Management of Personal Information.

The oversight of ethical conduct and compliance is ensured by the Audit Committee, a subset of the Board of Directors, which monitors adherence to legal and regulatory requirements, particularly in financial management and reporting. Regular internal audits are conducted to maintain compliance with ISO 9001 and ISO 14001 standards.

#### 4.3.1.1. Whistle-Blowing, Risk Management, and Training

Among our initiatives, the Whistle-Blowing policy plays a crucial role in ensuring ethical business practices as it ensures that all stakeholders can safely report any ethical breaches, including misconduct, fraud, or corruption, without fear of any retaliation. Individuals may contact the Chair of the Audit Committee on a confidential and/or anonymous basis via email, written submission, or other reasonable means.

Despite an active acquisition strategy, NanoXplore strictly adheres to its Anti-Bribery Policy to prevent and mitigate risks of unethical behavior in mergers and acquisitions. In addition to policy enforcement, employees receive regular ethics training to raise awareness of responsible business practices, and ongoing risk assessments are conducted to proactively identify and prevent potential ethical violations.

#### 4.3.1.2. Responsible Supply Chain Management

Integrity is a core value at NanoXplore and extends beyond our internal operations to all external stakeholders. Accordingly, all suppliers, vendors, contractors, and partners providing goods, services, or support to NanoXplore are required to comply with our Code of Ethics. This requirement applies across all business activities, including procurement, manufacturing, distribution, and delivery, ensuring a consistent ethical approach throughout our supply chain.



The Code establishes clear expectations regarding health & safety, ethical conduct, fair labour practices, environmental responsibility, legal compliance, and overall business integrity. Compliance with this Code is mandatory and NanoXplore reserves the right to evaluate and enforce adherence to these standards through audits, assessments, and corrective actions as necessary.

Suppliers are expected to cascade these requirements across their own supply chain, including their own suppliers, contractors, and subcontractors. This obligation is particularly important for entities directly involved in manufacturing products or delivering services to any NanoXplore entity. The requirements apply to all associated personnel, regardless of role or employment status.

The Code of Ethics is structured around 11 key areas: Health and Safety, Quality Standards, Ethical Conduct, Compliance with Laws and Regulations, Environmental Responsibility, Social Responsibility, Transparency and Communication, Continuous Improvement, Collaboration and Partnership, Conflict-Free Sourcing, and Confidentiality and Intellectual Property.

By embedding ethical standards into our corporate governance and supply chain practices, NanoXplore actively mitigates risks associated with irresponsible management and reinforces the long-term integrity and stability of its operations.

#### 4.3.2. Research & Development



In alignment with the UN's 9<sup>th</sup> Sustainable Development Goal on "industry, innovation, and infrastructure", we prioritize innovation to develop advanced and more sustainable solutions. As a leading player in the graphene industry, innovation and market opportunities are not only central to our strategy but also embedded in our mission and values. NanoXplore continues to make significant investments in research and development to drive sustainable value through advancement of GrapheneBlack™ related products.

Over the past year alone, NanoXplore has invested more than CAD 5.1 million in R&D expenditure, particularly in the development of composite and battery equipment. This represents a slight increase compared to CAD 4.8 million during fiscal year 2024, underscoring the company's growing commitment to research & development. Our primary R&D programs in 2025 focused on refining dry graphene manufacturing processes and their use in application, as well as enhancing development of battery materials and battery cells for high performance applications.

Collaborations with external collaborators and young professionals from Canadian universities and research centers have been instrumental in fostering a strong innovation ecosystem. These partnerships have been complementary in developing cutting-edge products and processes.

In terms of intellectual property, NanoXplore has 99 patents and patent applications that protect our advanced technologies and processes related to graphene, anode materials, as well as battery cell design and manufacturing. Our portfolio includes 29 major patent families, each with distinct expiration timelines ranging from 2035 to 2041), and covering jurisdictions such as the Australia, Canada, China, Europe, Japan, Korea, Mexico, Taiwan, and United States. However, some of our technologies remain unpatented, and despite our efforts in research and development, we may not always be able to prevent third parties from unauthorized use of our innovations, which could impact our competitive advantage.

By embedding sustainability into our innovation process, we seek to optimize resource use, decrease greenhouse gas emissions and extend product life cycles. Our current R&D investments prioritize process efficiency and the reduction of our environmental footprint, and we will continue to drive innovation through a mindset of continuous improvement to further minimize our environmental impacts.

NanoXplore and its subsidiaries rely on key raw materials, including natural flake graphite, polymers, lithium, copper, aluminum, water, salts, glass fiber, and other active materials. The GrapheneBlack™ production process also relies on crucial chemicals to control the pH levels of the solution and the sedimentation of solid waste. However, it is important to highlight that the production of GrapheneBlack™ aims to offer a more sustainable alternative to CarbonBlack, which relies on hydrocarbons.

As identifying alternatives to the raw materials we rely on is currently among our priorities, we greatly value the role of innovation in ensuring the resilience of our value chain. Our investments in research & development in 2025 on advanced materials, plastics, and composite products, as well as battery cells development, has allowed us to simplify production processes, and reduce our consumption of key materials.

With the objective of limiting raw materials consumption, NanoXplore will aim at promoting the sales of less transformed graphene products. This includes prioritizing GrapheneBlack™ Powder over the GrapheneBlack™ Masterbatch Pellets, thereby reducing the use of thermoplastic resins in our production process, as well as using recycled resin in our products.

We recognize the influence of climate change on the increasing scarcity of resources. As such, we see the implementation of circularity initiatives not only as an opportunity to reduce our ecological impact and enhance innovation but also as a crucial measure to mitigate the financial risks associated with the increasing costs of raw materials. A prime example of our commitment to a cradle-to-cradle business strategy is Canuck Compounders Inc., a corporation acquired by NanoXplore Inc. in 2021. Canuck is a plastic recycling compounder. Based in Cambridge, Ontario, Canuck is a leader in plastic recycling, with an annual production capacity of 40 million pounds. The use of resin pellets from Canuck Compounders Inc allows NanoXplore to produce most of its GrapheneBlack™ Masterbatch Pellets product from recycled plastic, further advancing our sustainability objectives.

### 4.3.3. Cybersecurity

The reliability and integrity of NanoXplore's IT system are essential to maintaining operational resilience and, as cybersecurity threats continue to evolve, we recognize the need to enhance our security measures to protect our digital information and prevent disruptions to manufacturing or supply chain. To do so, NanoXplore has implemented a cybersecurity policy that applies to all employees, officers, directors, and subsidiaries. This policy, alongside our cell phone policy, establishes clear guidelines to maintaining data integrity and protecting company technologies.

Cybersecurity risks are identified through corporate risk assessments conducted by our IT department, on request of the Audit Committee. Based on our analysis, a breach of our IT systems could significantly impact manufacturing operations, leading to production delays and supply chain disruptions. Cybersecurity incidents may also result in the loss, corruption, or misuse of sensitive data, including intellectual property and confidential information belonging to the corporation, its customers, or suppliers. Additionally, these breaches could lead to financial losses due to theft of funds, remediation costs, litigation, regulatory fines, or increased insurance premiums over time.



By assessing cybersecurity threats in our risk assessments, we have been able to identify their potential financial and operational impacts. This has been a crucial step in the development of a cybersecurity management program that focuses on preventive adaptation or mitigation measures. An annual test is done across all entities to assess internal and external ameliorations that are needed, and we plan on conducting an external audit based on the TISAX certification next year. In addition to our Cybersecurity policy, we emphasize awareness through regular communication and mandatory cybersecurity training, ensuring that employees adopt best practices. Our IT system also supports secure remote work arrangements, maintaining high security standards in case of unexpected events such as pandemics.

The Audit Committee, the Board of Directors, and the IT department are responsible for overseeing the enforcement of our cybersecurity program. While NanoXplore has implemented clear preventive measures and continues to strengthen security controls, no system can be entirely immune to cyber threats. Moving forward, while artificial intelligence is not used for our research and development procedures, we plan to identify clear policies and guidelines to better monitor its use and limit the related risks of confidential data disclosure.

### 4.3.4. Board of Directors

#### 4.3.4.1. Composition

During the fiscal year 2025, the Board was composed of nine members, six of whom are independent. Soroush Nazarpour is not considered independent due to his role as President and Chief Executive Officer of the Corporation. Rob Wildeboer, Vice Chairman of the Board, is also non-independent, as he has a material relationship with the Corporation through his position as Executive Chairman of Martinrea International Inc., an entity which holds 38,466,360 (23%) Common Shares of the Corporation. Lastly, Benoît Gascon is also considered non-independent due to his involvement in VoltaXplore's initiative. The independent Directors hold in-camera sessions at every Board meeting, excluding non-independent directors and members of management.

These sessions foster open and candid discussions among the independent directors. Board members bring expertise across key markets and industries relevant to NanoXplore. Their specialized skills span industry knowledge, strategic leadership and management, finance, accounting, human resources, government relations, research and development, information technology, sustainability, risk management, international markets, capital markets, and mergers and acquisitions, and manufacturing.



At the time of publication of this report, several changes have taken place. NanoXplore Inc. ("NanoXplore" or "the Corporation") (TSX: GRA and OTCQX: NNXP) announced that Soroush Nazarpour, President, Chief Executive Officer and Director, stepped down from NanoXplore as CEO at the Corporation's annual general meeting ('AGM') in December 2025. Mr. Nazarpour was re-elected at the AGM to remain on the Board of directors but chose to resign from the Board in February 2026. Cameron Haris and Benoit Gascon did not stand for re-election as the Board has been reduced to 7 members.

#### 4.3.4.2. Committees

The Board has three committees responsible for overseeing different aspects of NanoXplore's corporate governance, each comprised entirely of independent Directors. Committee members are appointed by the Board following a careful review of the membership requirements for each committee. The Audit Committee, Corporate Governance and Nominating Committee, and Human Resources and Compensation Committee operate under detailed charters that define their roles,

responsibilities, and governance procedures. These charters are overseen by the General Counsel and Corporate Secretary, with input from subject matter experts within NanoXplore's management team.

#### 4.3.4.3. Board profile:

BOARD OF DIRECTORS' INDICATORS	
Women on the Board of directors	33%
Members of the Board of Directors that identify as visible minorities	22%
Share of independent directors	66%
Average age on the Board of directors	55 Y.O.
Average tenure on the Board of directors	5 Years

\*At the time of the publication, the ratio of women on the board represents 50% as the board is composed of 7 members with one vacancy.

#### 4.3.4.4. Selection and terms

Any new appointee or nominee to the Board of Directors must have a strong track record in general business management, specialized expertise in areas of strategic importance to the Corporation, the ability to commit the necessary time, and a readiness to serve as a director.

The Corporate Governance and Nominating Committee (CGNC) is responsible for identifying and recommending qualified candidates based on the Board's evolving needs and the specific skills of potential nominees. All proposed nominations undergo a thorough review and require Board approval. The CGNC's responsibilities, powers, and operations are outlined in its charter, which is available online on the Corporation's website at [www.nanoxplore.ca](http://www.nanoxplore.ca).

The Board values diversity to access a broader pool of qualified candidates and to foster diverse perspectives, experiences, and ideas that enhance decision-making and drive innovation. As part of the selection process, the CGNC considers factors such as gender, Indigenous representation, persons with disabilities, and members of visible minorities, along with other diversity criteria. In support of the DEI Policy, when recommending nominees to the Board, the CGNC develops and recommends strategies for identifying and attracting diverse candidates. While the Board is committed to fostering diversity, it has not set specific diversity targets for director appointments. Instead, it prioritizes a balanced approach that ensures diversity while maintaining the necessary skills and experience to fulfill its governance responsibilities effectively.

#### 4.3.4.5. Actions

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. The Board's consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions. The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on NanoXplore's business in the ordinary course, managing NanoXplore's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans. A copy of the written Mandate of the Board of Directors is available online on the Corporation's website at [www.nanoxplore.ca](http://www.nanoxplore.ca).

The Board of Directors of NanoXplore considers good corporate governance to be important to its effective operations and to ensure that NanoXplore is managed to enhance shareholder value. The Board of Directors is responsible for ensuring that NanoXplore addresses all relevant corporate governance issues in compliance with the corporate governance guidelines set forth in Policy Statement 58-201; Corporate Governance Guidelines of the Canadian Securities Administrators.

Each of the Chair of the Board committee is responsible for overseeing the management, development, and effective performance their respective committee. The Chair guides the committee in fulfilling its mandate and takes necessary measures to ensure that responsibilities are met.

The Board has established a job description for the Chief Executive Officer who is primarily responsible for the overall management of the Corporation's business and affairs. This includes setting strategic and operational priorities and providing leadership to ensure effective overall management of the Corporation.

#### 4.3.4.6. Accountability and Governance

While our operations expand across North America and Europe, we remain focused on meeting stakeholder expectations and maintaining regulatory compliance. To do so, we increasingly integrate sustainability into our governance decisions. As this report underlines, NanoXplore has implemented its first sustainability initiatives to mitigate the adverse effects of its potential material impacts. To strengthen our approach to corporate social responsibility, we were pleased to welcome H el ene V. Gagnon to the Board of Directors in July 2024. With extensive experience in sustainability management, she will play a critical role in guiding NanoXplore's sustainability efforts. Additionally, we will leverage the expertise of board member Catherine Loubier, whose background in sustainability initiatives, climate change and decarbonization, engagement in workforce well-being & representation, as well as corporate social responsibility will further support our sustainability goals.

#### 4.3.5. Operational integrity risk management

Corporate risk management is essential to identify and address the major risks that could affect the company's operations, reputation, or financial health. At NanoXplore, we conduct a systemic risk assessment (see [Annual Information form 2025](#)) and an operational integrity risk assessment annually. These processes enable us to proactively identify and manage potential risks across our facilities and business operations, helping to mitigate any adverse effects on our performance. By conducting these annual assessments, we can monitor the evolution of systemic risks, strengthening our long-term business resilience.

In the systemic risk assessment, we consider several categories of risks, including regulatory, operational, sustainability-related, reputational, technological, economic, and financial risks. For regulatory and sustainability-related risks, we focus on issues such as non-compliance with strict regulations, workplace health and safety, or even waste mismanagement. For the remaining risks, we address concerns such as supply chain disruptions, interest rate fluctuations, competitive technological developments, and raw materials scarcity, among many others. This proactive risk management approach allows NanoXplore to plan adaptation and mitigation measures, minimizing the impact of potential risks on business operations.

Our sustainability risk and opportunity assessment enables us to identify, assess, and respond to actual or potential risks opportunities associated with our operations while also recognizing opportunities for growth and innovation. Our approach follows five key steps: data collection,

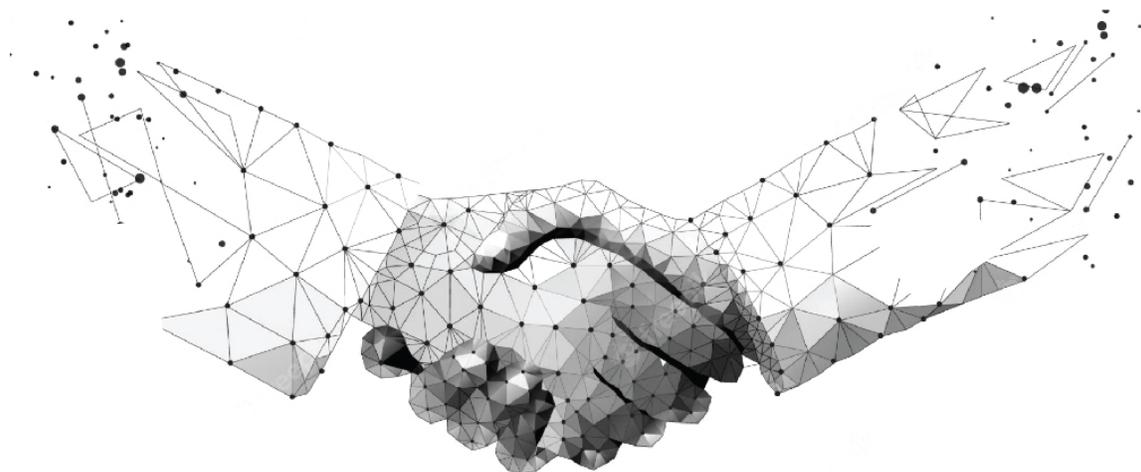
identification, assessment, response, and monitoring & reviewing of the causes and the consequences related to the identified risks. To do so, we evaluate the initial context, identify all the relevant stakeholders, and analyze the implications of our activities. We then assess the potential impacts in terms of probability of occurrence, time horizon, and sustainability impacts. This analysis allows us to rank the risks based on their significance. The final steps of our methodology are the implementation of the plan and the monitoring of its effectiveness.

They are divided into four categories: Environment, Workforce & Community, Accountability & Corporate Governance, and Finances. The major risks identified for this financial year include non-compliance with environmental regulations, waste mismanagement, poor stakeholders' involvement, and new national / international regulations. The sustainability opportunities are diverse, we have assessed several topics that are scored as highly significant such as reduction of GHG emissions, higher recyclability in our processes, gain more environmental certifications, stakeholder engagement, integration of sustainability, product differentiation, or the attraction of sustainable investments.

NanoXplore aims to continuously improving its risk management practices, particularly concerning sustainability topics. Our objectives include strengthening access to more comprehensive key performance indicators, allowing for a more data-driven approach to risk identification and mitigation strategy selection.

#### 4.3.6. Supply chain management

For the financial year 2025, NanoXplore had over 250 direct suppliers. Our global supply chain spans North America, Europe, and Asia, with a strong emphasis on minimizing transportation distances where possible. As such, we try to prioritize collaboration with local vendors to foster community empowerment and economic growth, where possible. One example of this commitment is our effort to source resin primarily from North American suppliers. The location of our subsidiaries plays a role in our ability to source products locally. Most of RMC's suppliers are based in North America, with only a small percentage located overseas. Additionally, the majority of the resources required for RMC's products, such as resins, minerals, and chemicals for composite production, are sourced from the United States and Canada.



This geographic concentration helps mitigate supply chain risks, such as modern slavery, though it does not eliminate them entirely. For services, RMC sources locally except for specialized expertise support which may be contracted from overseas.

SPENDINGS ON LOCAL SUPPLIERS (REGIONAL)	
CarbonTech	48%
VoltaXplore	48%
RMC	40%
RMC AT	15%
Faroex	9%
CEBO	66%
Canuck	24%

NanoXplore is committed to ethical and responsible business practices. We require all third-party suppliers to adhere to our Supplier Code of Ethics and Conduct, ensuring transparency and integrity across our supply chain. Developing a functional and ethical supplier ecosystem is essential to maintaining uninterrupted operations, from sourcing raw materials to delivering final products to clients. Our supplier selection process evaluates potential partners based on their values and practices, helping to mitigate supply chain-related risks. A clear demonstration of this commitment is our effort to source most of our mineral consumption from conflict-free regions.

While most of the raw materials required to produce GrapheneBlack™ are relatively accessible, supply chain disruptions remain a potential risk. Our primary raw material, graphite, is mainly sourced from a Canadian supplier. Despite the growing demand for graphite in the electric vehicles market, we do not foresee major supply constraints. The lithium-ion battery industry primarily depends on spherical graphite, whereas NanoXplore uses small-flake natural graphite, which is more abundant. However, relying on a single supplier for our primary raw material exposes us to supplier dependency risk. While graphite availability itself is not a concern given the size of their reserve, the risk lies in a potential inability of the supplier to deliver. To mitigate this risk, we are currently testing graphite sourced from alternative suppliers in Africa and South America. These options would provide alternative supply pathways.

On the other hand, we also remain conscious of the potential cost increases or quality concerns that could materialize when relying on a limited number of suppliers. Aside from graphite, the raw materials required for GrapheneBlack™ production are readily accessible and are procured from several long-term suppliers. However, as mentioned in our waste management section, our circularity initiatives also affect our supply chain management. These initiatives help reduce procurement needs while increasing production capacity through recycling and resource optimization.

NanoXplore continues to enhance its supply chain resilience through vertical integration by acquiring subsidiaries that serve as suppliers, manufacturers, or retailers in business-to-business markets. For example, Canuck has reduced our reliance on external resin suppliers with the recycling of resins at the location. However, we recognize that these efforts do not alleviate all supply-chain disruption risks related to natural disasters, or other external unaccounted risks.

To better understand and manage our supply chain, with the help of a third-party company, we assessed 21 of our largest suppliers by spendings across key sustainability topics, including environmental performance, human rights, anti-corruption, and working conditions. The assessment showed that 14% of the surveyed suppliers were classified as low risk, while 76% fell into the medium-risk category. The findings also revealed gaps in certain areas: some suppliers lack workforce safety and representation policies that ensure the right to refuse unsafe or unethical work or do not have work force safety and effectiveness related policies in place. Others are missing environmental policies or have not defined clear targets for energy, water, or chemical use.

SUPPLIERS SCREENING	
Percentage of new suppliers that were screened using environmental and social criteria.	100%
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.	9%
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.	5%
Low global risks suppliers	14%
Medium global risks suppliers	76%

# APPENDIX

## Appendix 1: Fiscal Year 2025 sustainability performances

ENVIRONMENT		
Indicator	Unit	Value
<b>GHG Emissions</b>		
Direct Scope 1 emissions from stationary combustion	t COe	2,414
Direct Scope 1 emissions from mobile combustion	t COe	144
Gross global Scope 1 emissions	t COe	2,557
Direct Scope 1 emissions from stationary combustion - Market	t COe	2,412
Direct Scope 1 emissions from mobile combustion - Market	t COe	144
Gross global Scope 1 emissions - Market	t COe	2,557
Indirect Scope 2 Emissions from purchased electricity	t COe	2,733
Indirect Scope 2 Emissions from purchased heat	t COe	0
Indirect Scope 2 GHG Emissions (location-based)	t COe	2,733
Indirect Scope 2 Emissions from purchased electricity	t COe	1,101
Indirect Scope 2 GHG Emissions (market-based)	t COe	1,101
Scope 3* Emissions: Fuel- and energy related activities	t COe	758
Total GHG emissions (Scope 1 + Scope 2 (Location based) + Scope 3*)	t COe	6,049
Total GHG emissions (Scope 1 + Scope 2 (Market based) + Scope 3*)	t COe	4,418
<i>*At this stage, Scope 3 data are partial, as they have been calculated only for fuel and energy-related activities. The number of Scope 3 categories covered will increase over time.</i>		
<b>Energy consumption</b>		
Heating consumption	GJ	76,110
Heating consumption	kWh	9,950,003
Electricity consumption	kWh	19,505,386
Heavy fuel oil	L	5,122
Natural Gas	m <sup>3</sup>	808,171
Diesel	L	3,312
Propane	m <sup>3</sup>	153
<b>Energy Intensity</b>		
Energy intensity ratio for the organization	KwH / T produced	784
<b>Waste Generated</b>		
Hazardous Waste Diverted from Disposal	Kg	715
Hazardous Waste Directed to Disposal	Kg	57,767
Non-Hazardous Waste Diverted from Disposal	Kg	111,543
Non-Hazardous Waste Directed to Disposal	Kg	873,238
Total - Hazardous waste	Kg	58,482
Total - Non-hazardous waste	Kg	984,781

<b>Water Withdrawal</b>		
Total water withdrawal	m <sup>3</sup>	33,056
Total freshwater withdrawal	m <sup>3</sup>	9,260
Priority substances of concern for which discharges are treated, including: Number of incidents of non-compliance with discharge limits	number	1
Number of chemical spills	number	0

## WORKFORCE & CULTURE

### Employees covered by collective agreements

Percentage of total employees covered by collective bargaining agreements	%	6
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### Workers who are not employees

Report the total number of workers who are not employees and whose work is controlled by the organization*	number	24
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### Retirement and pension plans

If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities	CAD	5,000
Percentage of salary contributed by employee	%	13
Percentage of salary contributed by employer	%	13

### Employee demographic breakdown

Number of employees - Women	number	87
Percentage of employees - Women	%	24
Number of employees - Men	number	276
Percentage of employees - Men	%	76
Headcount of employees - Canada	number	314
Headcount of employees - Switzerland	number	24
Headcount of employees - USA	number	25
Number of employees - Below 30 years	number	51
Percentage of employees - Below 30 years	%	14
Number of employees - 30-55 years	number	232
Percentage of employees - 30-55 years	%	64
Number of employees - Above 55 years	number	80
Percentage of employees - Above 55 years	%	22

### Employee training and education

Number of trained Employee	number	245
Number of employees trained to first aid	number	21
Number of hours of training (Interns included)	Hours	31,992
Total cost of trainings	CAD	760,962
Total number of hours worked by all employees	Days	150,892
The number of performance reviews - C-suite	number	3

% of performance reviews - C-suite	%	100
The number of performance reviews - Director & VPs	number	6
% of performance reviews - Director & VPs	%	40
The number of performance reviews - Employees	number	136
% of performance reviews - Employees	%	39
The number of performance reviews - Men	number	131
The number of performance reviews - Women	number	50
Training provided to employees - Women	Average number of hours	27
Training provided to employees - Men	Average number of hours	40
Training provided to employees - Salaried employees	Average number of hours	29
Training provided to employees - Hourly employees	Average number of hours	39
Training provided to employees - Interns	Average number of hours	469
<b>Recruitment, development and retention</b>		
Total number of new employee hires - Women	number	12
Total number of new employee hires - Men	number	48
Total number of new employee hires - All	number	56
Total number of new employee hires - Below 30 years	number	10
Total number of new employee hires - 30-55 years	number	47
Total number of new employee hires - Above 55 years	number	3
Total new hires	number	60
Jobs created	number	5
Interns hired	number	8
<b>Accidents related to employee health and safety</b>		
Accidents related to chemicals	number	2
Accidents related to other factors	number	10
Medical visit, with no time lost no opening CNESST	number	18
<b>Employee health and safety - Training</b>		
Employees and workers who are not employees, but whose work and/or workplace is controlled by the organization - Number covered by an occupational health and safety management system that has been audited or certified by an external party	number	0
Employees and workers who are not employees, but whose work and/or workplace is controlled by the organization - Number covered by an occupational health and safety management system	number	35
Employees and workers who are not employees, but whose work and/or workplace is controlled by the organization - Number covered by an occupational health and safety management system that has been internally audited	number	0

<b>Work-related ill health</b>		
Number of Fatalities as a result of work-related ill health	number	0
Number of Cases of recordable work-related ill health	number	10
<b>Work-related injuries and fatalities</b>		
Number of Fatalities as a result of work-related injury	number	0
Number of Work-related fatalities	number	0
Number of High-consequence work-related injuries (excluding fatalities)	number	0
Number of Recordable work-related injuries	number	20
Rate of Recordable work-related injuries	%	5
Rate of Injury events relative to total workforce time	%	5
<b>Employee workforce trends</b>		
Turnover- all employees	%	27
Turnover - Salaried employees	number	18
Turnover rate - Salaried employees	%	11
Turnover - Hourly employees	number	79
Turnover rate - Hourly employees	%	38
<b>Benefits and working conditions</b>		
Employees that were entitled to parental leave - Total number	number	158
Employees that took parental leave, by gender - Women	number	6
Employees that took parental leave, by gender - Men	number	9
Employees that took parental leave - Total	number	15
Employees that returned to work in the reporting period after parental leave ended, by gender - <b>Women</b>	number	2
Employees that returned to work in the reporting period after parental leave ended, by gender - <b>Men</b>	number	6
Employees that returned to work in the reporting period after parental leave ended, by gender - <b>Total</b>	number	8
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender - <b>Women</b>	number	2
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender - <b>Men</b>	number	6
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender - <b>Total</b>	number	7
Return to work rates of employees that took parental leave, by gender - <b>Women</b>	%	13
Return to work rates of employees that took parental leave, by gender - <b>Men</b>	%	29
Retention rates of employees that took parental leave, by gender - <b>Women</b>	%	20
Retention rates of employees that took parental leave, by gender - <b>Men</b>	%	39

## ECONOMICS

### Direct economic value generated and distributed

Total employee wages and benefits	CAD	35,256,920
Payments to providers of capital	CAD	897,502
Amount of payments to government - Canada	CAD	145,678
Amount of payments to government - USA	CAD	132,895
Amount of payments to government - Switzerland	CAD	0
Community investments	CAD	0
Direct economic value generated	CAD	128,918,388
Economic value distributed	CAD	127,018,639
Economic value retained	CAD	1,899,749
Direct economic value generated: Canada	CAD	108,954,871
Direct economic value generated: USA	CAD	11,333,413
Direct economic value generated: Switzerland	CAD	8,630,104

### Financial assistance received from government

Total monetary value of financial assistance received	CAD	2,555,170
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## GOVERNANCE

### Compliance with laws and regulations

Number of significant instances of non-compliance - Instances for which non-monetary sanctions were incurred	number	0
Number of significant instances of non-compliance - Instances for which fines were incurred	number	0
Number of significant instances of non-compliance - Total	number	0
Number of fines for instances of non-compliance with laws and regulations - Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	number	0
Monetary value of fines for instances of non-compliance with laws and regulations - Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	CAD	0
Number of fines for instances of non-compliance with laws and regulations - Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	number	0
Monetary value of fines for instances of non-compliance with laws and regulations - Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	CAD	0
Number of fines for instances of non-compliance with laws and regulations - Total	number	0
Monetary value of fines for instances of non-compliance with laws and regulations - Total	CAD	0

### Board diversity

Number of board members - Men	number	6
Percentage of the board - Men	%	67

Number of board members - Women	number	3
Percentage of the board - Women	%	33
Number of board members - total	number	9
Number of board members – of visible minorities	number	2
Percentage of the board - of visible minorities	%	22
Share of independent directors	%	67
Average age	Years old	55
Average tenure	Years	5
<b>Communication of critical concerns</b>		
Report the total number of critical concerns that were communicated to the highest governance body during the reporting period	number	0
<b>Supplier screening using environmental or social criteria</b>		
Percentage of new suppliers that were screened using environmental criteria	%	100
Percentage of new suppliers that were screened using social criteria	%	100
<b>Spending on local suppliers</b>		
Significant location of operation - CarbonTech	%	48
Significant location of operation - VoltaXplore	%	48
Significant location of operation - RMC	%	40
Significant location of operation - RMC AT	%	15
Significant location of operation - Faroex	%	9
Significant location of operation - CEBO	%	66
Significant location of operation - Canuck	%	24
<b>Negative environmental and social impacts in the supply chain</b>		
Number of suppliers assessed for environmental impacts	number	41
Number of suppliers identified as having significant actual and potential negative environmental impacts	number	0
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	%	9
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment	%	0
Number of suppliers assessed for social impacts	number	41
Number of suppliers identified as having significant actual and potential negative social impacts	number	5
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	%	5
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment	%	0

\* refers to contractors

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## Appendix 3: Abbreviations

**CAD:** Canadian Dollar

**CAPEX:** Capital Expenditures

**CBA:** Collective Bargaining Agreement

**CGNC:** Corporate Governance and Nominating Committee

**CO<sub>2</sub>e:** CO<sub>2</sub> equivalent

**EBITDA:** Earnings before interest, taxes, depreciation, and amortization

**EHS:** Environmental Health and Safety

**EPA:** Environmental Protection Agency

**Etc. :** Et Cætera

**FY:** Fiscal Year

**GHG:** Green House Gas

**GIM:** General Internal Medicine

**GJ:** Gigajoules

**GRI:** Global Reporting initiatives

**HR:** Human Resources

**IFRS:** International Financial Reporting Standards

**Inc.:** Incorporation

**ISO:** International Organization for Standardization

**IT:** Information Technology

**Kg:** Kilograms

**KPI:** Key Performance Indicator

**KwH:** Kilowatt per hour

**LEAP:** Locate, Evaluate, Assess, Prepare

**M:** Million

**MD&A:** Management discussion and analysis

**OPEX:** Operating Expenses

**OHS:** Occupational Health & Safety

**pH:** Potential of Hydrogen

**R&D:** Research & Development

**REACH:** Registration, evaluation, authorisation and restriction of chemicals

**REC:** Renewable Energy Certificate

**RMC:** Rene Material Composite

**SA:** Société anonyme

**SDG:** Sustainable Development Goal

**SUVA:** Swiss National Accident Insurance Fund

**T:** Ton

**UN:** United Nations

**UNFCCC:** United Nations Framework Convention on Climate Change

**USA:** United States of America

**USD:** Unites States Dollar

**VOC:** Volatile Organic Compounds

**WHMIS:** Workplace Hazardous Materials Information System

**Y.o.:** Years old

Feedback on the report and requests for additional information are welcome.

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