

NanoXplore Inc.

Report Under The Fighting Against Forced Labour and Child Labour In Supply Chains Act

Financial Year Ended June 30, 2025



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Application

The following document is a joint report prepared pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) that pertains to NanoXplore Inc. and its wholly owned operating subsidiary Rene Composite Materials Ltd. (“RMC”) (collectively, “NanoXplore” or the “Corporation”). The above-mentioned entities hereby report to the Minister of Public Safety and Emergency Preparedness on the various measures taken during their previous financial year ended June 30th, 2025 to prevent and reduce the risks that forced labour or child labour is used at any step of the production of their goods, in Canada or elsewhere, or of goods imported into Canada thereby.

None of the entities included in this report are subject to separate reporting requirements under supply chain legislation in another jurisdiction.

Measures to prevent and reduce the risks of forced labour and child labour

In the previous financial year, the Corporation took certain measures to prevent and reduce the risk of forced labour or child labour in its activities and supply chains. More specifically, the Corporation:

- Conducted, appropriate due diligence of its existing and potential suppliers, in compliance with its policies and risk directives.
- Adopted a Supplier Code of Ethics and Conduct in order to comply with its reporting requirements under the Act, and to reflect the Corporation’s engagement to further monitor and prevent forced labour and child labour risks in its supply chains.
- Added compliance provisions to its new supplier agreements, pursuant to which suppliers are required to acknowledge the Corporation’s Supplier Code of Ethics and Conduct and ensure compliance with all applicable laws and regulations regarding the prevention of child labour and forced labour.
- Adopted a Conflict and Critical Materials Policy.
- Conducted an internal assessment of risks of forced labour and child labour in its supply chains.
- Carried out a prioritization exercise to focus due diligence efforts on the most severe risks of forced labour and child labour.
- Completed a third-party supplier risk assessment covering over 80% of its total procurement spend.
 - The assessment included a structured survey designed to evaluate supplier compliance with key international standards, including ISO 26000, SA8000, the Ten Principles of the UN Global Compact, the UN Practical Guide to Sustainable Supply Chains, and the Global Reporting Initiates Standards.
 - Overall, the results indicated that suppliers generally present low to moderate risk levels across areas such as human rights, labour practices, environmental performance, and anti-corruption.
- Continued the development of its comprehensive supply chain risk mitigation strategy.
- Delivered targeted training on the prevention of modern slavery to all relevant employees involved in supply chain operations, enhancing their ability to recognize, assess, and report potential risks.

Between July 1st, 2025, and the publication of this Report, the Corporation took the following steps:

- Required all suppliers to acknowledge the Supplier Code of Ethics and Conduct.
- Began training relevant employees on the risks of Modern Slavery, and on Conflict and Critical Materials.
- Diversified its supply chain for critical material, evaluating multiple sources with high priority on preventing modern slavery.

Structures, Activities, Mission and Supply Chains

Structure

NanoXplore Inc. is a corporation incorporated under the *Canada Business Corporation Act*, headquartered in Montréal, Québec, and listed on the Toronto Stock Exchange (TSX: GRA).

Rene Materials Composites Ltd. is a corporation incorporated under the *Canada Business Corporation Act*, and headquartered in St-Ephrem-de-Beauce, Québec.

Activities and Supply Chains

NanoXplore has commercial operations in three (3) countries, namely: the United States, Canada, and Switzerland, with over 360 employees in said countries. NanoXplore's organization is structured around two main segments: (i) advanced materials, plastics and composites products, and (ii) battery cells and materials.

NanoXplore collaborates closely with end-users and compounders, providing graphene powder and expertise in graphene's incorporation into plastics.

Meanwhile, RMC is a plastics and composites manufacturer. It serves prominent OEM customers, offering solutions ranging from precision injection molding to the manufacturing of large composite plastic parts.

Mission

The Corporation's mission is to provide innovative, sustainable products and solutions across multiple industries and applications. The Corporation is committed to professionalism and integrity in its working relationships, and strives to promote equality, transparency and fairness in its decision making and in its treatment of all stakeholders. The Corporation is committed to holding itself accountable to the highest ethical and performance standards.

Supply Chains

The Corporation's global supply chain spans North America, Europe, and Asia, with a focus on minimizing distances wherever commercially feasible. The Corporation prioritizes collaboration with local suppliers to foster community empowerment and economic growth. The Corporation's preference for local sourcing reflects its commitment to sharing economic benefits with local communities.

For the financial year ended June 30, 2025, NanoXplore had over 250 direct suppliers.

NanoXplore's supply chain similarly sources the majority of its minerals from conflict-free regions. Resins for its extrusion activities are primarily sourced from North America. NanoXplore aims to source services from nearby suppliers, only outsourcing for specialized needs.

NanoXplore benefits from being in a manufacturing region with many local suppliers and partners, which supports the local economy. The majority of NanoXplore's suppliers are based in North America with only a small percentage located overseas. Most of the goods that NanoXplore uses in its products, such as resins, minerals, and chemicals for composite production are sourced from the United States and Canada. This geographical concentration of suppliers reduces, but does not eliminate, the risk of modern slavery within the supply chain.

Policies and Due Diligence Process

The Corporation has implemented policies and procedures to prevent and mitigate the risks relating to the use of child or forced labour in its supply chains.

Code of Ethics

The Corporation's Code of Ethics applies to NanoXplore and to all of its subsidiaries. The Code of Ethics seeks, among other things, to promote socially responsible conduct, integrity and corporate responsibility, and is signed by all of NanoXplore's employees.

The Corporation requires that all of its employees conduct themselves with honesty, equity and integrity in all aspects of their actions.

Supplier Code of Ethics and Conduct

The Supplier Code of Ethics and Conduct sets out NanoXplore's values and expectations applicable to the Corporation and to its suppliers, agents, consultants and other third parties and business partners as well as their respective employees, directors and officers.

The Code sets forth expectations regarding 12 key requirements: Health & 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, Confidential and Intellectual Property, and Precautionary Principles. It applies to all interactions and transactions between NanoXplore and its suppliers, regardless of geographical location or industry sector.

The Code stipulates, among other things, that suppliers:

- are expected to conduct their business affairs with the highest level of integrity, honesty, and ethical behavior, aligning with NanoXplore's values and ethical standards.
- must comply with all applicable laws, regulations, and industry standards governing their operations, including but not limited to environmental, labour, health, and safety regulations.
- are expected to uphold principles of social responsibility, including respect for human rights, fair labour practices, diversity, inclusion, and community engagement.
- are expected to be dedicated to environmental stewardship, including in minimizing environmental impact, promoting sustainable sourcing, reducing GHG emissions, and adhering to environmental regulations.

Whistleblowing Policy

A whistleblowing policy has been implemented by NanoXplore for anyone who believes that a supplier, employee, agent, consultant or other third party or business partners has engaged in illegal, unethical, or otherwise wrongful conduct, or conducted any other activity in violation of the Supplier Code of Conduct. Should employees or suppliers have any inquiries or concerns regarding the Corporation's Supplier Code or its commitment to ethical conduct, they can contact the Corporation at the following address: NanoXplore Inc. ATTN: Compliance, 4500 boulevard Thimens, Montreal, Québec, H4R 2P2, Canada or by email at compliance@nanoxplore.ca.

Conflict and Critical Materials Policy

NanoXplore's Conflict Minerals Policy (available on its website www.nanoXplore.ca) provides a general overview of the Corporation's commitment to ethical and socially responsible business practices and recognizes its responsibility to promote the protection of human rights.

Determining the Risk of Forced Labour or Child Labour

NanoXplore has identified that its activities in the mining sector may carry certain risks of forced labor and child labor. Specific efforts have been made towards engaging with key suppliers to ensure the supply of conflict-free minerals and materials, reflecting a commitment to responsible sourcing practices.

Remediation Measures

For the financial year ended June 30, 2025, NanoXplore has not identified any instances of forced labour or child labour within its activities or supply chains; hence, no specific remediation measures have been implemented.

Employee Training

During the Corporation's last fiscal year, it has provided a 90-minute mandatory training on modern slavery to ten (10) key employees and managers involved in supply chain operations, enhancing their ability to recognize, assess, and report potential risks. The aforementioned training was conducted by a third party and was intended to further bolster employee awareness of the risks surrounding modern slavery.

Assessment of Effectiveness

NanoXplore implemented robust governance to ensure that all applicable codes of conduct, internal policies, and employee training programs are effectively managed, implemented, and monitored across the organization. RMC manufacturing sites are certified to the IATF 16949 standard, reflecting a strong commitment to continuous improvement and supply-chain integrity.

NanoXplore has completed an independent third-party audit of its supply chain, evaluating supplier compliance with environmental, social, and governance practices, including modern slavery. The audit results found no evidence of child labour or forced labour within the assessed supply chain.

Approval and Attestation

This report was approved by the Board of Directors of NanoXplore Inc. as being a joint report of NanoXplore Inc. and Rene Composite Materials Ltd. for the financial year ended June 30, 2025, in accordance with subparagraph 11(4) (b) (i) of the Act.

In accordance with the requirements of the Act, and in particular with section 11 thereof, I attest that I have reviewed the information contained in this report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects, for the purposes of the Act, for the reporting year listed above.

I have the authority to bind NanoXplore Inc. and Rene Composite Materials Ltd.



Rocco Marinaccio,
Chief Executive Officer and Director of NanoXplore Inc. and Rene Composite Materials Ltd.