

Nano One Materials Corp. Modern Slavery Report (2024)

I. Introduction

This Report is submitted by Nano One® Materials Corp. (“**Nano One**” or the “**Company**”), a Canadian corporation listed on the Toronto Stock Exchange (“**TSX**”). It is filed pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year ending December 31, 2024. This Report also outlines the Company’s efforts to prevent human trafficking, forced labour, and child labour (“**Modern Slavery**”) in its operations and supply chain. As required by the Act, this Report will also be posted publicly on the Company’s website.

II. Structure, Activities and Supply Chain

A. **Corporate Structure**

Nano One is a clean technology company with patented processes for the production of lithium-ion battery cathode active materials (“**CAM**”) that enables secure and resilient supply chains by driving down cost, complexity, energy intensity, and environmental footprint.

Headquartered in Burnaby, British Columbia, Canada, Nano One is publicly traded on the TSX under the ticker “NANO”. The Company’s head office is located at Unit 101B, 8575 Government Street, Burnaby, British Columbia V3N 4V1 and its registered and records office is located at 2900 – 550 Burrard Street, Vancouver, British Columbia V6C 0A3. Nano One and its subsidiaries currently employ approximately 106 employees across Canada. An overview of the Nano One corporate structure and primary functions of its entities is provided below for reference:

Entity	Function	Reporting Entity
<div> <div>Nano One Materials Corp. (British Columbia)</div> <div>100%</div> </div>	Serves as the Nano One corporate headquarters and innovation hub. Focuses on R&D for proprietary technologies like the One-Pot process and M2CAM®, supporting lab and pilot-scale development of advanced cathode materials.	
<div> <div>Nano One Materials Québec Inc. (Québec) Common Shares</div> <div>100%</div> </div>	Functions as a strategic subsidiary within the Company's organizational structure and has no operations.	
<div> <div>Nano One Materials Candiac Inc. (Formerly Johnson Matthey Battery Materials Inc.) (Québec) Common Shares</div> </div>	Serves as Nano One’s Commercialization Hub. Its facility, located in Candiac, Quebec, stands as North America’s sole commercial-scale lithium-ion phosphate (LFP) cathode production plant.	

As indicated above, neither of Nano One's subsidiaries meet the criteria to qualify as "Reporting Entities" under the Act. However, each plays an integral role in Nano One's success. All Nano One's entities follow the same policies and procedures to ensure operational consistency, effective risk management, and a strong commitment to social responsibility.

Further information regarding Nano One's corporate and organizational structure, including Executives, Leadership Team, and Board of Directors can be found in the "about us" section on the Company website: <https://nanoone.ca/our-company/our-team/>.

B. Activities

In 2024, despite numerous global industry challenges, Nano One remained focused on advancing its technology through continued research and development ("R&D"), while progressing steadily toward commercialization and end use distribution (anticipated in 2027). Key activities in support of this objective included:

- Continued growth of both existing and new strategic business relationships;
- Securing additional financing, including from the government of Quebec and the U.S. Department of Defense;
- Growth of our intellectual property portfolio, securing 11 new patents in 2024, totaling 48 globally, with more than 50 pending;
- Further distribution of samples for testing and approval by multiple potential end-users;
- Further development and optimization of the Nano One Candiac facility; and
- Streamlining operations and increasing focus on LFP production and licensing to accelerate Nano One's path to revenue generation.

In addition to the above, and complementary to its commitment to preventing Modern Slavery, Nano One engaged in a sustainability assessment (the "**2024 Sustainability Assessment**") as part of a vendor qualification undertaking which is standard across the industry. Drawing from the results of this assessment, Nano One has been working with external experts to further update its management systems, processes, governance framework and internal controls. This includes reviewing and strengthening the mandates, practices, procedures, and standards that apply across the full life cycle of its supply chain. Work in this area has continued into 2025.

Further information regarding Nano One's activities is provided in multiple publications on the Company website, including our 2024 Annual Information Form: <https://nanoone.ca/wp-content/uploads/2025/04/AIF-Final.pdf>.

C. Supply Chain

Nano One's supply chain is strategically aligned to support the production of high-performance lithium-ion battery cathode materials, with a focus on minimizing environmental impact and strengthening overall resilience through its proprietary technologies. In 2024, supply chain needs were satisfied utilizing a small group of carefully selected vendors, the vast majority of whom are based in North America. Nano One prioritizes collaborating with reputable suppliers that demonstrate responsible business practices, including clear commitments to preventing Modern Slavery, and has established strategic long-term partnerships with several of these vendors.

A general breakdown of Nano One's supply chain and related information is as follows:

- Material, Sourcing and Inputs:** Although Nano One is primarily a technology-based company that relies heavily on specialty software, licenses and scientific instrumentation for its R&D needs, it also utilizes a range of raw materials in the testing and development of its lithium-ion battery cathode materials. Key inputs in this regard include raw materials sourced from vendors, and includes inputs such as **lithium, iron, and phosphate**, used in the development of lithium iron phosphate (LFP) batteries. These inputs support the Company's innovation efforts and enable the ongoing advancement of its patented technologies.
- Production Process:** Nano One offers its patented technology to customers, including the "One-Pot" process, which streamlines cathode material production by combining lithium and other raw materials in a single reactor. This innovation is notable for reducing costs, simplifying manufacturing, reducing water use significantly and eliminating the use of sulfates, thereby improving environmental performance. It also provides customers with a reliable Canadian-based alternative supply source, helping to reduce dependence on vendors in jurisdictions that may pose higher risks of unethical or illegal practices, including Modern Slavery.
- End-Use and Commercialization:** Nano One continues to shift focus on the end-use of its products in electric vehicles and energy storage systems (for renewables, data centers and industrial applications), aiming to align with global efforts to transition to zero-emission energy solutions. In 2024, the Company continued the pursuit of expanded commercialization of its operations, including additional distribution of cathode material samples to potential end users for further testing.

Through collaboration with government stakeholders and industry partners across the value chain, Nano One aims to drive demand for product offerings through the growth of partnerships with industry leaders supporting battery innovation, while also working with leading materials manufacturers to adopt Nano One's technology for the commercial-scale production of cathode materials.

III. Modern Slavery Prevention Measures (2024)

As recognized in the Company's Modern Slavery Report for the 2023 Financial Year, Nano One proudly notes that its technology is poised to assist in reducing Modern Slavery risks on an industry-wide level. By significantly disrupting traditional dependencies on vendors in high-risk regions for raw material sourcing and production, Nano One's innovations can support a shift toward more localized, ethical and transparent supply chains.

Specific Measures

In conjunction with the initiatives launched following the 2024 Sustainability Assessment, Nano One undertook the following measures to support the prevention of Modern Slavery:

Training, Assessment, and Expert Guidance

- Engaged a third-party service provider to deliver formal training focused on understanding and preventing Modern Slavery (discussed further below).
- Retained third-party consultants and experts (including external legal counsel) to conduct general risk assessments, a comprehensive review of governance structures, procedures, and contractual documentation. This review and implementation process has continued into 2025.

Policy and Ethics Framework

- Adopted a robust Code of Ethics, reinforcing the Company's commitment to ethical business practices, human rights protections, and responsible supply chain management. All employees are required to acknowledge and comply with the Code of Ethics.
- Worked with external counsel to provide guidance on regulatory updates and best practices, as well as drafting of a standalone Modern Slavery Policy (discussed further below).

Supply Chain Oversight and Ethical Procurement

- Continued to screen vendors through the procurement process, including targeted onboarding questions related to Modern Slavery prevention.
- Strengthened business relationships with partners and suppliers who maintain strong Modern Slavery protections and responsible sourcing practices (discussed further in this Report).

Monitoring and Enforcement

- Monitored legislative and regulatory developments related to the Act.
- Monitored adherence to internal policies and procedures, including mechanisms designed to identify and mitigate risks.
- Monitored its whistleblower grievance mechanism for concerns related to labour practices and supply chain integrity.

IV. Policies and Due Diligence Processes

Nano One is committed to maintaining high standards of corporate governance, environmental stewardship, and social responsibility. The Company's policies and practices are designed to ensure compliance with applicable laws and regulations, including those related to human rights and labor practices. This commitment extends throughout its supply chain, where Nano One utilizes trusted due diligence to ensure regulatory compliance and mitigate risks. A summary of the relevant Nano One policies and procedures, which guide the Company's due diligence practices is as follows:

- **Procurement Procedure:** This procedure aims to ensure best value, minimize risks in its supply chain (including regulatory compliance), and protect the Company's reputation from unreliable suppliers or deviations from approved processes. It serves as a comprehensive guide for all employees not directly within the Procurement function, detailing their roles and responsibilities throughout the procurement process, including

contract negotiation. The procedure emphasizes early engagement with the Procurement team to leverage their expertise and existing contracts, thereby optimizing outcomes.

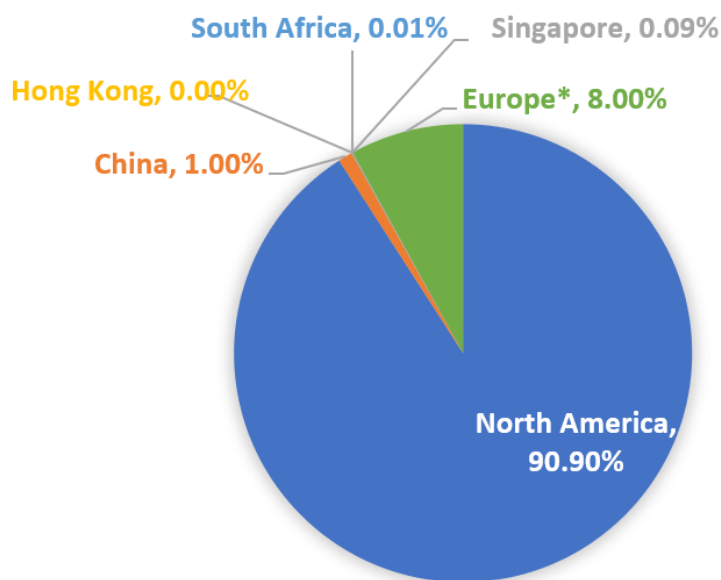
- Ethical Supply Screening & Supplier Contractual Obligations:** As part of the vendor onboarding process, Nano One's Ethical Supply Form requires vendors to answer questions directly relating to their practices, policies, and procedures in place to ensure the risk of Modern Slavery is mitigated in their supply chains. Additional protections are included in the Company's standard contractual terms and conditions, which mandate legal compliance and adherence to the International Labor Organization's Fundamental Principles and Conventions, including those aimed at eliminating modern slavery.
- Delegation of Authority Policy:** This policy applies to all employees, officers, directors, agents, consultants, and contractors, and governs all Company transactions with third parties. It works alongside the Procurement Procedure and Capital Expenditure Policy to ensure proper review, risk assessment, and approvals are obtained. Legal review, including external counsel when appropriate, is required for certain contracts and high-risk transactions. The policy emphasizes early legal involvement to allow adequate time for negotiation and to ensure compliance with legal and contractual obligations, including those related to Modern Slavery.
- Audit Committee Mandate:** This mandate delineates the mandated roles and responsibilities of the Audit Committee, composed of independent board members with the requisite education and experience to fulfill their duties. These responsibilities include advising and assisting the Board of Nano One in fulfilling its oversight responsibilities. The Audit Committee ensures compliance with relevant legal and regulatory requirements and company policies and procedures, promoting continuous improvement and adherence to these standards as appropriate.
- People, Compensation and Governance Committee Mandate:** This mandate establishes the "PCG Committee" and outlines its oversight responsibilities concerning the effectiveness of the Company's corporate governance policies and procedures. The PCG Committee's responsibilities include monitoring, reviewing, and assessing the adequacy of the Company's corporate governance policies and committee mandates, and making recommendations to the Board accordingly.
- Health, Safety, Environment, and Sustainability Committee ("HSES") Mandate:** In 2024 the Board appointed the HSES Committee, and this mandate was adopted to assist Nano One's Board of Directors in overseeing the development, implementation, and compliance of the Company's HSES policies, procedures, and programs.
- Board Mandate:** The Board is responsible for adopting, supervising, and providing guidance on the strategic planning process, including the approval of a strategic plan that considers the opportunities and risks of the Company's business. The Board maintains a comprehensive understanding of the principal risks associated with the business, primarily through ongoing communication with management. Additionally, the Board ensures the implementation of appropriate systems to effectively manage these risks.

- **Whistleblower Policy:** In conjunction with the mandate of the Audit Committee, the Company maintains a whistleblower policy which provides for the method of reporting of any inappropriate activity by any Nano One employee or director, which includes reporting on potential violations of law, non-compliance with Company policies, and other ethical considerations.
- **Code of Ethics:** Nano One's Code of Ethics was updated and approved in 2024, providing a clear ethical framework for all employees, suppliers, and partners, reinforcing commitments to human rights protections, responsible sourcing, and Modern Slavery prevention. Training and education on the Code of Ethics was provided post adoption of the policy for all employees.
- **Modern Slavery Policy (Draft):** As noted above, in 2024, a standalone draft Modern Slavery Policy was prepared by external counsel. The policy remains in draft form, as Nano One intends to revise and integrate it with the Company's broader Corporate Sustainability initiatives developed through the 2024 Corporate Sustainability Assessment.

V. Risk Management & Assessment

Nano One is well-equipped to assess and manage risk. A general overview of the measures it takes to prevent and reduce risks of Modern Slavery are as stated below:

Review of Vendors & Financial Transactions: The Company conducted a general risk review of its vendors for the 2024 financial year, with a specific focus on identifying vendors and financial transactions in jurisdictions outside of North America. A breakdown of the Company's vendor geography based on its financial transactions is provided below for reference:



* Europe, in this context, refers to the following countries: Germany, France, Netherlands, United Kingdom, and Sweden.

As evident in the chart above, the Company is able to assess the risk from its Tier 1 vendors as low, with nearly all carrying on business in countries with robust Modern Slavery laws and prevention initiatives.

Policies, Procedures, and Contractual Measures: The policies and procedures detailed in Article IV are instrumental in helping Nano One identify, manage, and mitigate risks, including those related to ethics and Modern Slavery. Additional safeguards are provided through both mandatory and informal reviews by various committees, including audit and legal reviews related to contractual and procurement matters. These reviews ensure appropriate language to capture compliance with laws, audit rights, effective issue resolution, and ongoing risk management.

Relationship Management and Screening: Nano One employs effective practices in managing its vendor processes and business relationships. The Company mitigates risk through pre-screening during the procurement process and maintains an engagement with a third-party risk management company. This third-party company offers due diligence services and provides comprehensive risk reports based on multiple factors.

Furthermore, as emphasized in this Report, Nano One prioritizes contracting with reputable vendors and stakeholders who meet high standards in supply chain operations and corporate responsibility. Notably, partners such as Rio Tinto uphold stringent Modern Slavery practices, which are essential for maintaining low risk levels and promoting ethical practices throughout the supply chain. Nano One also collaborates with other industry leaders who share its commitment to high ethical standards, demonstrating a commitment to preventing Modern Slavery publicly:

- Worley Chemetics: <https://www.worley.com/en/site-services/modern-slavery-statement>
- Sumitomo Metal Mining: https://www.smm.co.jp/en/sustainability/management/humanrights_procurement/
- Rio Tinto: <https://www.riotinto.com/en/invest/reports/modern-slavery>

Identified Risks and Areas for Improvement: Despite the low inherent risks, Nano One acknowledges that the primary challenges stem from the nature of the industry, particularly the sourcing of raw materials from higher-risk regions, and challenges faced by most companies respect to assessing beyond Tier I vendors. The Company remains dedicated to considering continuous improvement in several areas, including, potentially:

- Enhanced training initiatives.
- Increasing awareness around Nano One's ethical commitments.
- Enhancing contractual protections for suppliers.
- Improving risk screening with third-party risk management providers
- Expanding the Whistleblower policy to facilitate easier public reporting of concerns.

VI. Training

Employees involved in Nano One's supply chain and business operations bring significant experience and have received various forms of training related to identifying vendor risks, conducting due diligence, and practicing ethical sourcing. All Nano One employees are required

to complete onboarding training, which includes a review of the Company's policies and procedures, procurement practices, ethics standards, and compliance obligations. The Company may also provide tailored training sessions or host "lunch and learns" to address higher-risk areas. These sessions include targeted instruction to improve awareness of specific functions and associated risks.

In 2024, Nano One engaged a third-party consulting firm, LAWst Solutions, to provide training through its E-Course offering: "*Combating Forced and Child Labour in Supply Chains & Canada's Regulation of Modern Slavery*." The course curriculum includes:

- Examination of the prevalence of Modern Slavery in global supply chains;
- Exploration of the interplay between Modern Slavery and the complexities of supply chains;
- Identification of risks, including problematic practices, industries, goods, and regions;
- Overview of global regulations on Modern Slavery;
- Detailed review of the Act; and
- General guidance for businesses on strategies to combat Modern Slavery and meet compliance obligations under the Act.

The course consists of two modules and quizzes. Participants are required to achieve a minimum score of 80 percent to receive a Certificate of Completion. Tracking course completion allows Nano One to assess the effectiveness of its training and monitor employee engagement and understanding.

The training was completed by members of Nano One's Sustainability Department in 2024 and is being offered again in 2025 in both English and French to support broader access across the Company. Management will determine which departments and employees will be required to complete the course.

VII. Remediation Measures

No known instances or allegations of Modern Slavery were identified within Nano One's operations during the financial year ended December 31, 2024. As part of broader remediation-related efforts, the Company notes that its third-party Modern Slavery training provider advertises that a portion of the proceeds from the sale of its E-Course are donated to non-profit or charitable organizations that support initiatives to combat and prevent Modern Slavery.

VIII. Assessing Effectiveness

Nano One is able to assess its effectiveness in preventing Modern Slavery through various channels, including:

- Regular review of policies and procedures, with a goal of continuous improvement.
- Ensuring appropriate training is provided and tracked.
- Utilization of known and reputable vendors from low-risk jurisdictions.
- Collaboration with its partners and vendors with respect to ensuring consistency.
- Monitoring of whistleblower complaints.
- Engagement with external advisors.

IX. Approval and Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and in particular section 11 thereof, I, in the capacity of Board Director and Chief Executive Officer, attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

This Report was approved by Nano One's governing body pursuant to paragraph 11(4)(a) of the Act, and I have the authority to bind the Company.

/s/ "Dan Blondal"

Full name: Dan Blondal

Title: Director and Chief Executive Officer

Date: May 30, 2025