



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT REPORT For the year ended December 31, 2023

Introduction

At Nanalysis Scientific Corp. ("Nanalysis" or the "Company", "we" or "our") we are committed to upholding human rights principles and ensuring ethical practices throughout our operations and supply chain. We consider respect for human rights to be a fundamental corporate responsibility and have zero-tolerance for forced labour and child labour within the Company and our supply chain. We are committed to implementing measures to reduce the risk of forced labour or child labour, including any other forms of modern slavery, in our operating activities and supply chain. We present the Company's first report outlining our efforts to address modern slavery for the financial year ending December 31, 2023.

The Company meets the requirements to report under Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"). This report is the Company's report under the Act. The Company has seven subsidiaries which are not considered entities under the Act: Nanalysis Corp., Nanalysis GmbH, RS²D S.A.S., One Moon Scientific, K'(Prime) Technologies Inc., KPrime Group USA, and KPrime Technologies. The Company applies all policies and steps taken to reduce the risk of forced labour or child labour in our operating activities and supply chain to each of its subsidiaries.

Our Business Operations

Nanalysis Scientific Corp. operates in two primary business segments: Scientific Equipment and Security Services. Within its Scientific Equipment business is what the Company terms "MRI and NMR for industry". The Company develops and manufactures portable Nuclear Magnetic Resonance (NMR) spectrometers or analyzers for laboratory and industrial markets. The Company provides scientific equipment sales and maintenance services globally.

In 2022 the Company was awarded a five-year, \$160 million contract to provide maintenance services for passenger screening equipment in Canadian airports. This has resulted in the expansion of the Company's Security Services business. The Company is providing airport security equipment maintenance services in each province and territory of Canada. In addition, the Company provides commercial security equipment installation and maintenance services to a variety of customers in North America.



The Company acknowledges the potential risks associated with modern slavery within our supply chains. Our commitment to ethical sourcing and responsible business practices guides our approach to addressing these risks.

Core Values and Principles

We are profoundly dedicated to conducting our businesses consistently with internationally recognized norms and principles including the United Nations' Universal Declaration of Human Rights. The Company has adopted the following key principles and initiatives, which reflect how we conduct business:

Respecting Cultures and Values: We acknowledge and respect the diverse cultures, customs, and values of the communities where we operate, while ensuring our actions align with our human rights principles.

Ensuring Safe Workspaces: We provide safe working environments, both physical and virtual, free from harassment, bullying, and violence, ensuring the well-being of all employees.

Promoting Ethical Conduct: Our employees and suppliers are expected to adhere to best business practices and standards, promoting ethical behavior in all aspects of our operations.

Fair Recruitment and Hiring: We ensure fairness and equality in our recruitment and hiring processes, providing equal opportunities to all prospective employees.

Eliminating Forced or Child Labour: We diligently seek to ensure no products are manufactured by forced or child labour within our supply chains, complying with relevant laws and international standards.

Fostering Diversity and Inclusion: We strive to create diverse and inclusive workplaces, providing opportunities for underrepresented groups and communities to thrive within our organization.

Maintaining Safe and Healthy Working Conditions: We uphold safe, healthy, and respectful working conditions, as outlined in our Health, Safety, and Environment Manual and program.

Promoting Human Rights: Within our spheres of influence, we actively promote human rights and corporate responsibility, contributing positively to the communities in which we operate.



Supply Chain Overview

The Company's operations include producing, purchasing and distributing goods and services in North America and internationally. Our supply chain encompasses various parties, including suppliers of raw materials, manufacturers, distributors, and subcontractors that may supply labour and/or materials to the Company. We recognize that modern slavery can occur at any stage of our supply chain, and we are dedicated to ensuring transparency and accountability throughout, supported by the initiatives and actions described below.

During the year ended December 31, 2023, our vendor evaluation program did not include specific procedures or due diligence processes to evaluate the risk of forced or child labour. We have since engaged in education regarding the issue of forced labour and child labour in today's supply chains and we are committed to mapping our business activities and supply chains to capture important data required going forward to assess where the risk of modern slavery may be present.

The Company is evaluating industry best practices and internal processes and will work diligently to improve transparency and reduce potential risks. To date, we have not identified any instances of forced labour or child labour in our business and supply chain, therefore, we have not had to take any remediation measures (including measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in supply chains). Should any instances of forced labour or child labour be identified or reported at any time, we are dedicated to taking swift and decisive action, including remediation efforts, and implementing corrective measures to prevent recurrence.

Actions Taken

During the year ended December 31, 2023, the Company took the following initial steps to prevent and reduce the risks of forced or child labour in its supply chains. The Company increased its awareness of the importance of assessing its activities to better understand areas of potential risk of forced labour and child labour in supply chains. Please see the next section for upcoming activities.



Action Plans for the Coming Years

The Company is taking a risk-based approach to assess and manage the risk of forced labour and child labour in its supply chains. Upcoming activities include:

- Mapping business activities and supply chains to identify areas at risk of modern slavery which will allow the Company to implement targeted interventions. Factors that will be considered when assessing current and future suppliers include product country of origin, country risk indicators and types of products or services offered by the supplier.
- Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists. The Company plans to establish and implement a Supplier Code of Conduct ("SCOC") into our existing vendor management and evaluation program. Our SCOC will outline our expectations to our suppliers to adhere to labour standards, human rights, and ethical business practices including prevention of forced or child labour. Suppliers will be requested to provide an attestation of compliance. In time, we expect to add due diligence procedures to assess compliance which may include site visits, interviews with management, and document verification.
- Developing and implementing training and awareness materials on forced labour and/or child labour. The Company plans to develop and/or provide training material to employees involved in procurement and new supplier selection to promote assessment of forced labour and child labour supply chain risks, identification and reporting of signs of modern slavery, and awareness and education on the importance of ethical sourcing.

Reporting

During the training and awareness sessions we will communicate and offer various reporting mechanisms for employees, suppliers, directors and officers to report any concerns related to modern slavery without fear of retaliation.

Assessing Effectiveness

We will periodically assess the effectiveness of our actions by tracking relevant performance indicators, reviewing and updating our policies and procedures, and evaluating feedback from internal and external parties.



Conclusion

At the Company we recognize that addressing modern slavery will take time and requires collaboration with interested parties across industries and sectors. The Company remains steadfast in its commitment to combat modern slavery within its operations and supply chain. We recognize the importance of transparency, accountability, and continuous improvement in upholding human rights and ethical business practices. Through our upcoming efforts and collaboration with interested parties, we aim to help eradicate modern slavery and create a more just and equitable world.

Approval

This joint modern slavery report was approved by the Board of Directors of Nanalysis Scientific Corp. pursuant to Paragraph 11(4)(b)(ii) of the Act on May 27, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I 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.

NANALYSIS SCIENTIFIC CORP.

Full name: Sean Krakiwsky

Title: Director

Date: May 27, 2024

Signature: (s) "Sean Krakiwsky"
I have the authority to bind Nanalysis Scientific Corp.