

Fiscal 2024 Modern Slavery Report

Introduction

This report is produced by Nanometrics Inc. (“Nanometrics” or “our” or “we”) for the financial year ending February 28, 2024 (the “Reporting Period” or “FY24”) and outlines the steps taken to prevent and reduce the risk of forced labour or child labour in the production of equipment in Canada, or goods imported into Canada by Nanometrics.

This is our first report pursuant to Canada’s new “Fighting Against Forced Labour and Child Labour in Supply Chains Act” (the “Act”).

Our business

Nanometrics provides monitoring solutions and equipment for studying man-made and natural seismicity. Headquartered in Kanata, Ontario, with offices and representatives world-wide, Nanometrics has over 30 years’ experience, delivering solutions to customers across the globe. Our pedigree is founded on precision instrumentation, network technology and software applications for seismological and environmental research. We also specialize in collecting and analyzing critical real time data for global, regional and local seismic networks.

As part of our efforts to conduct business in an ethical manner, Nanometrics has zero tolerance for engaging in business practices or activities that would compromise fundamental human rights including forced labour or child labour.

Supply chain

Nanometrics global supply chain consists of component suppliers producing without limitation circuit card assemblies, electronic components, mechanical parts, metal housings, and cable assemblies. The raw materials, components, items and systems required to manufacture seismological instruments in system applications are procured from suppliers around the world. In addition to the purchase of components for production, we have a wide range of suppliers of non-product related goods and services.

nanometrics.ca

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During fiscal 2024 we evaluated our list of suppliers to ascertain their location and the source of materials used in the manufacture of our products. Our supply chain consists of manufacturers and distributors in predominantly 3 countries; Canada, United States, and China. This past fiscal year, we also had nominal procurement of materials and services from Germany and the UK.

All suppliers have a role to play in ensuring ethical business practices to eliminate forced labour and child labour in its supply chains. We endeavor to ensure our suppliers are equally committed to preventing this and encourage them to have suitable measures to prevent and detect unethical business practices. Measures that Nanometrics has taken, or plans to take are referenced below:

(a) Supplier Terms and Conditions

Our standard Terms and Conditions incorporated into our purchase orders with suppliers, puts contractual obligations with our suppliers to comply with all applicable laws with respect to employment and labour practices (including no child or forced labour), among others.

(b) Supplier Code of Conduct

A new Supplier Code of Conduct which specifically includes provisions prohibiting child labour and forced labour is expected to launch in FY25.

(c) Due Diligence

We undertake due diligence on suppliers and expect third parties with which we work to adhere to business principles and values similar to our own, and to comply with all applicable laws and regulations as per our purchasing terms and conditions. To strengthen our internal assessment of the potential risks of forced labour and child labour existing within our supply chain, it is our intent to provide a mandatory questionnaire and/or attestation to our suppliers for completion in FY25.

Remediation



Nanometrics is committed to taking immediate remedial action to address any areas of concern that are identified in order to comply with the intent and spirit of the Act.

Training

Education, and training initiatives to increase awareness of our responsibilities with regards to the Act are intended to be rolled out to target audiences during fiscal 2025.

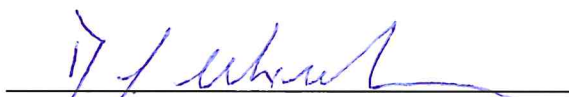
Assessing Effectiveness

As we gather information, we will review, reassess, and further develop plans and policies to measure the effectiveness of our policies and procedures aimed at reducing the possibility that forced labour and child labour could be in any part of or supply chain.

Approval and Attestation

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.

I have the authority to bind Nanometrics Inc.



Full name: David Alexander

Title: Chief Financial Officer

Date: May 23, 2024

