

Northern Graphite Corporation

Forced Labour and Child Labour in Supply Chains Company
Assessment

Report for year ending December 31st, 2023

Structure

Northern Graphite Corporation is a mineral resource exploration, development and production company engaged in the acquisition, development and production of graphite and other battery mineral properties. We are North America’s only producer of natural graphite and are at the forefront of powering electric vehicles by supplying battery anode materials and redefining carbon material solutions for industrial markets. We are a Canadian entity listed on the TSX Venture stock exchange, with our headquarters in Ottawa, Ontario, Canada. The following report is for the January 1st to December 31st, 2023 financial year. In 2022, the Company acquired the producing Lac-des-Îles graphite mine in Québec and the Okanjande graphite deposit and Okorusu processing plant in Namibia. Our Canadian subsidiary is Graphite Nordique Inc., and the Namibia subsidiaries are Northern Graphite Processing Limited, Northern Graphite Holdings Limited, and Northern Graphite Okanjande Mining Limited. Northern Graphite also has offices and labs in Italy and Germany. The company operates in two (2) Canadian locations, with its head office in Ottawa, Ontario, and another office in Laval, Québec. It has an operation mine in Lac-des-Îles, Québec, a project in Bissett Creek, Ontario, and is aiming to begin production at the Battery Anode Material Plant in Baie-Comeau, Québec in 2027.

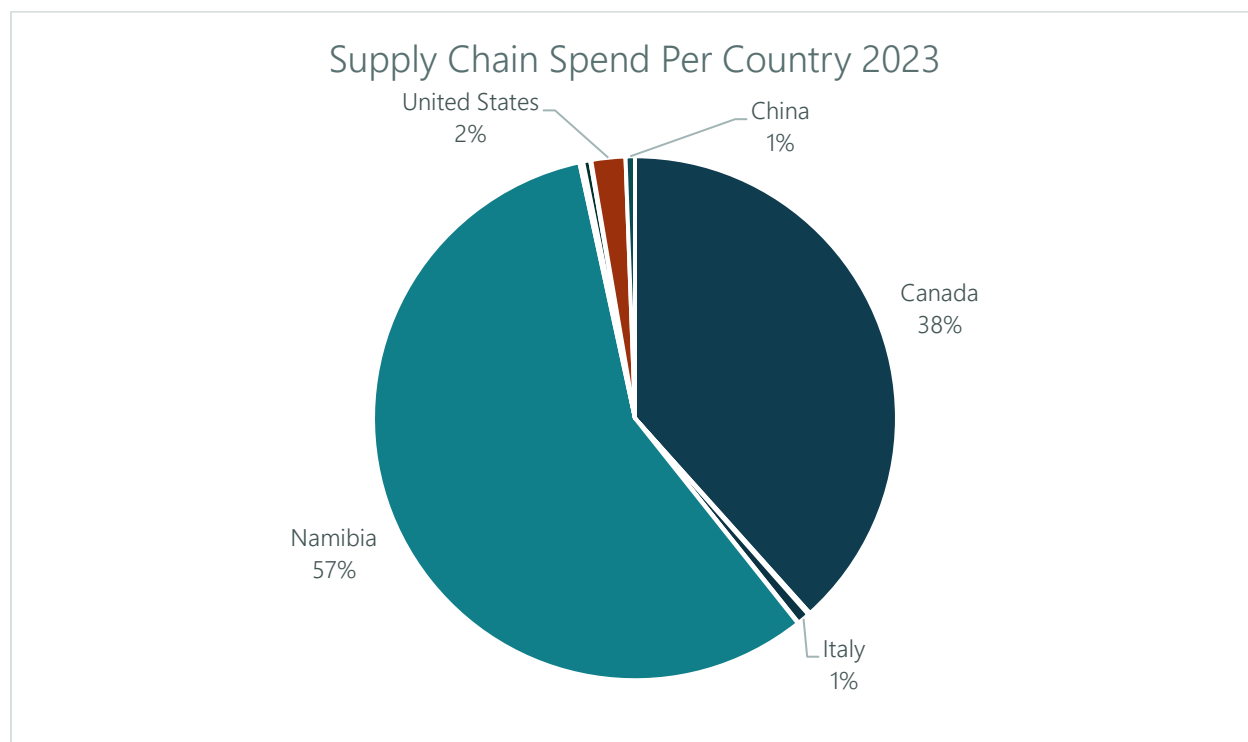
Northern Graphite employs 86 people, with 68 in Canada, one (1) in the United States, one (1) in France, four (4) in Italy, and 12 in Namibia. The Company has a Board of Directors, Chief Executive Office, Chief Financial Officer, Chief Operating Officer, Chief Technical Officer, and a Corporate Secretary.

Activities

Northern Graphite’s activities include mining the raw graphite material, and processing it into concentrate, powder, and flakes. We also provide product that is used in refractory bricks for steel making, heat management in mobile phones, and friction and lubrication products for brakes and brake linings for the automobile industry and other specialty products.

Supply Chain

The figure below presents the makeup of our 2023 supply chain by country, exclusive of any country that makes up $\leq 1\%$ of our total spend. Northern Graphite has nearly 600 suppliers. Those suppliers are primarily from Canada and Namibia. Supplier countries that make up 1% or more of our supply chain spend include Canada, Namibia, the United States, Italy, and China.



Suppliers which are under 1% of the total supply chain spend, and not included in the figure above include: France, Mexico, Singapore, South Africa, the United Kingdom, and the Netherlands.

Policies & Due Diligence

Current Policies

Embedded within our core values is the importance that Northern Graphite places on our employees, the environment and the communities in which we live and work. Through our policies, we have created a foundation to support the prevention of forced labour and child labour through our strong core values as we approach future reporting years.

Our *Code of Business Conduct and Ethics* demonstrates our commitment to conducting business with honesty, integrity, and fairness. Our guiding principles are to: act ethically and honestly; accept responsibility and be accountable for our actions; select and treat our employees in a respectful, fair and equitable manner and foster a work environment that is safe and healthy and free from discrimination, harassment, intimidation and hostility of any kind; make decisions which are in the best interests of Northern Graphite; honour our agreements and commitments; conduct our business in an environmentally and socially responsible manner; communicate with all of our stakeholders in an honest

and straight-forward manner; and obey all laws governing the conduct of our business.

With a strong commitment to health and safety, we take a zero-tolerance approach to ensure our staff are not put in danger and that every person is safe and healthy every day, both at work and at home.

In our *Health and Safety Policy*, we state our commitment to complying with Good International Industry Practice, the requirements of the Equator Principles, and the Environmental, Health and Safety Guidelines, and the Environmental, Health and Safety Guidelines for Mining of the World Banking Group. At Northern Graphite, we also require that all suppliers and contractors comply with our health and safety standards and requirements. In the event that a contractor does not comply with our health and safety standards, they are immediately asked to leave the site and we discontinue any professional relationship. We are committed to investigating all concerns, complaints or incidents of workplace discrimination, violence or harassment in a fair and timely manner, while respecting employees' privacy as much as possible.

In our *Whistleblower Policy*, we state that we strictly prohibit discrimination, harassment, and/or retaliation against any employee, director or officer who reports a complaint, provides information or assists in an investigation related to the violation of Code of Business Conduct and Ethics or the violation of employment or labour laws. The Whistleblower policy details complaints procedures and Audit Committee procedures.

Within our *Professional Services Contract*, we state that Northern Graphite seeks to share economic benefits with First Nations and local communities through business and employment relationships, as is demonstrated in our recruitment of local vendors at our Lac-des-Îles and Okanjande sites. We also request that contractors report to us the number of First Nations persons who will be working on-site during the calendar year.

We have a *Human Rights Policy Statement* in draft that describes our commitment to human rights, complying with laws and regulations in which we operate, demonstrating practices consistent with the International Council on Mining and Minerals (ICMM) Indigenous Peoples Position statement, and eliminating all forms of forced or compulsory labour and child labour.

Due diligence

Before engaging with suppliers in Okanjande, we require them to provide a *Social Security Commission Certificate of Good Standing* which details the government identification numbers of their employees and proves that they are registered with the Namibian government. This allows us to confirm that all employees are age 18 or older and are legal workers. When we engage suppliers, both in Okanjande and Lac-des-Îles, we ensure all suppliers complete a *Supply Evaluation Form* where they input details on any incidents that may have occurred, as well as the products and/or services they are providing. Our team considers any complaints made against suppliers, among other business factors, to determine whether we maintain a commercial relationship with them. Within our *Supplier Pre-Selection Questionnaire*, we ask potential suppliers to provide details on their supplier selection and evaluation,

their procedure for handling customer complaints, and their health and safety practices.

In Northern Graphite’s *Contractor Agreement* and *Professional Services Contract*, we explicitly state that contractors must comply with health and safety policies, and laws governing industrial accidents and working conditions, including labour laws. All contractors and their employees in Namibia are required to complete our two-day *Prevention Program Training* prior to operating and/or circulating on site. We also explicitly state that failure to comply with this commitment or any breach of safety code and health rules may lead to disciplinary measures, inclusive of employee suspension, suspension of operations or other actions, up to the immediate cancellation of the Contractor Agreement.

Fundamental to our business philosophy is community engagement, lasting partnerships, and the respect for the culture and welfare of our local communities. Central to this is respecting human dignity and the rights of individuals and communities, while holding mutual respect and trust, establishing agreed objectives and sharing involvement. As described in our *Corporate Social Responsibility Policy*, we seek to create working environments that improve living conditions by investing in community projects, conducting training, and creating jobs for the local community.

Northern Graphite is also a *member of the Chamber of Mines of Namibia*, which is a member-based organization responsible for the stewardship of mining, exploration and associated activities for the benefit of all stakeholders. Membership includes the obligation to adhere to the Chamber Constitution and Code of Conduct and Ethics. We are also a *member of the Québec Mining Association* which encourages its members’ work in the area of the environment, health and safety, research and technological development, training, human resources management, and community relations.

We currently have an *Annual Sustainability Questionnaire* in draft that will be used to ask our suppliers if they follow the UN guiding principles of business and human rights and the International Labour Organization Conventions while providing us detail on their practices. Within the questionnaire we plan to directly ask suppliers if they conduct any assessments related to human rights within their supply chains and to describe their ethical sourcing practices.

Risk Identification & Management

Countries of Operations and Risk

Using the *Walk Free Global Slavery Index* and the *U.S. Department of Labor List of Goods Produced by Child Labor or Forced Labor*, we had a risk assessment conducted on our countries of operations. These indexes use in-depth research in the area of forced labour and child labour and indicate the risks associated with each country. All of the countries in which we operate have a low risk of forced labour and child labour.

Country	Employees as of 2023 (#)	Inherent Risk per Country
Canada	68	Low
Namibia	12	Low
Italy	4	Low
France	1	Low
United States	1	Low

Countries of Suppliers and Risk

Using the *Walk Free Global Slavery Index*, we had a risk assessment conducted on the countries of suppliers. This index uses in-depth research in the area of forced labour and child labour and indicate the risks associated with each country. We found that there was an inherent extreme risk of forced labour or child labour in China and Mexico. **This does not mean that evidence of forced labour or child labour was found to support this risk analysis** but that there is an increased inherent risk which necessitates closer scrutiny by Northern Graphite to ensure those risks do not flow through to our suppliers' countries.

Country	Suppliers (#)	Supply (%)	Inherent Risk per Country
Canada	504	38	Low
China	1	1	Extreme
France	2	<1	Low
Italy	56	1	Low
Mexico	1	<1	Extreme
Namibia	127	57	Low
Netherlands	2	<1	Low
Singapore	1	<1	Low
South Africa	4	<1	Low
United Kingdom	3	<1	Low
United States	28	2	Low

Type of Goods Procured and Risk

Using the *Walk Free Global Slavery Index*, we had a risk assessment conducted on the types of goods of our suppliers. This index uses in-depth research in the area of forced labour and child labour and

indicate the risks associated with each type of good. We found that there was an inherent extreme risk of forced labour or child labour in the electronics and garments we procure, as well as an inherent high risk in the glass, gloves, and iron we procure. **This does not mean that evidence of forced labour or child labour was found to support this risk analysis** but that there is an increased inherent risk which necessitates closer scrutiny by Northern Graphite to ensure those risks do not flow through to the goods we procure. This includes investigating where our suppliers receive their goods, continuing to monitor the types of goods we procure, and the risk of forced labour and child labour associated these goods.

Goods	Inherent Risk per Good	Country	Inherent Risk per Country	Overall Risk
Electronics	Extreme	Canada, Italy	Low	High
Garments	Extreme	Namibia	Low	High
Glass	High	Canada	Low	Low/High
Gloves	High	Canada	Low	Low/High
Iron	High	Canada	Low	Low/High

Remediation Measures

To date, we have not been made aware of or found evidence of any instances of forced or child labour. We recognize that our success is dependent upon partnering with local communities and stakeholders and we use open, honest, dialogue to build relationships while respecting their cultural knowledge and the land in which we occupy. In the event that evidence of forced or child labour is found, we commit to engaging with the local community, stakeholders, and families affected to ensure we remediate any negatives impacts.

Awareness Training

All corporate employees are required to take training on company policies inclusive of the Whistleblower policy, Corporate Social Responsibility Policy, Environmental Policy, the Code of Business Conduct and Ethics, and the Health and Safety Policy. In addition to training on corporate policies, employees working on-site are required to take all training on Take 5 Safety, Serious 7, First Aid, Workplace Hazardous Materials Information System, Closed Space, Working at Height, Emergency Action Plan, Lifting and Rigging equipment, Forklifts, Loaders, and Crushers. While we do not currently offer training specific to forced labour and child labour, the training we currently offer will be foundational as we approach this issue in future reporting years.

Self-Assessment Process & Requirements

Northern Graphite does not currently have a self-assessment process in place to identify how effective we are in ensuring forced labour and child labour are being used in our business and supply chains. Within the next reporting years, we will begin to look towards implementing more processes to assess our current practices and determine priority areas to address.

Conclusion & Key Takeaways

Through our analysis, we found that although some of the items we procured in 2023 have a higher risk for forced labour and child labour, we have several measures in place to lower the risk of these practices. These measures include our Code of Business Conduct and Ethics, Whistleblower Policy, Professional Services Contract, Supply Evaluation Form, Supplier Pre-Selection Questionnaire, Contractor Agreement and Professional Services Contract, Prevention Program training, our membership to the Chamber of Mines in Namibia and the Quebec Mining Association. As we continue to engage with suppliers in future reporting years, we will continue to advance our approach to mitigating the risk of forced labour and child labour.

In the upcoming reporting years, Northern Graphite looks towards implementing policies and practices concerning; Human rights policy statement, staff training and increasing awareness of forced labour and child labour; monitoring suppliers for evidence of forced labour and child labour; and finalizing and integrating our Human Rights Statement across our organization.

At Northern Graphite, we value our people. We are dedicated to fostering a work environment that honors and respects each employee, while safeguarding their rights and well-being. Additionally, we are firm in our opposition to forced labor and child labor and our commitment to ethical business practices goes beyond our organization as we diligently take steps to eliminate forced labor and child labor from our supply chains.

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.

Hugues Jacquemin

Full Name

Signature

Chief Executive Officer

2024-05-28

Title

Date

I have the authority to bind Northern Graphite Corporation and this report covers financial year 2023 and applies to Northern Graphite Corporation and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of Northern Graphite Corporation if they apply.