



# **Fighting Against Forced Labour and Child Labour in Supply Chains Act – Report**

**For the year ending March 31, 2025**

**Dated: May 30, 2025**

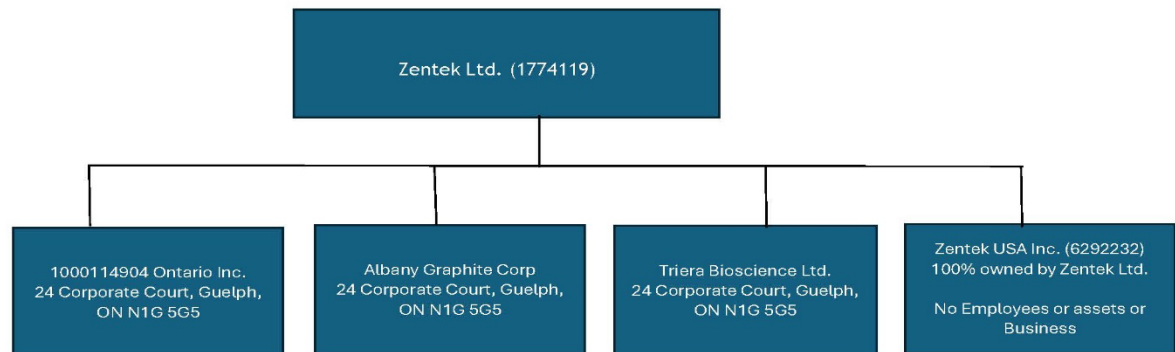
## Introduction:

The Company was incorporated in Ontario, Canada as 1774119 Ontario Limited, business number 848227690, on July 29, 2008. Pursuant to Articles of Amendment dated November 24, 2009, the Company changed its name to “Zenyatta Ventures Ltd.” On January 1, 2019, the Company filed Articles of Amendment changing its name from “Zenyatta Ventures Ltd.” to “ZEN Graphene Solutions Ltd.” On October 27, 2021 (effective October 28, 2021), the Company filed Articles of Amendment changing its name from “ZEN Graphene Solutions Ltd.” to “Zentek Ltd.” The common shares of the Company trade on the T SX Venture Exchange (“TSXV”) under the symbol “ZEN” and in the United States on the Nasdaq Capital Market (“NASDAQ”) under the symbol “ZTEK”. The Company’s headquarter is at 24 Corporate Crt. Guelph, ON N1G 5G5. Since Zentek Ltd. (“Zentek”) is a publicly traded company listed on the TSXV, Zentek must report regardless of its size under Bill S-211.

## Subsidiary

For the year ending March 31, 2025, the Company have two material wholly owned subsidiaries. Albany Graphite Corp. (“AGC”), incorporated under the laws of the Province of British Columbia on February 23, 2023. The business number of AGC is 7699620101. Trieria Bioscience Ltd. (“Trieria”), incorporated under the laws of the province of Ontario on June 12, 2023. The business number of Trieria is 746090414. This report is applicable for these subsidiaries as well.

## Legal structure



**Number of employees, both in Canada and outside Canada:**

The Company had 18 Canadian employees at March 31, 2025. Zentek does not have an international presence and therefore no international employees at this time.

**Description of The Business**

In 2018, the Company began to focus on the research and development of graphene and related applications. In January 2020, the Company changed its name and began focusing its research on three priorities: (i) advanced materials, (ii) clean technology, and (iii) green energy. The name change reflects the Company's decision to refocus its development plans from the Albany Graphite Project and towards graphene nanomaterial intellectual property and product opportunities that may benefit from vertical integration. In February of 2020, the Company opened a research facility in Guelph, Ontario, to support its university and industrial partners' ongoing research and to scale-up production of graphene products. Subsequently, the COVID-19 pandemic halted research at the Company's collaborators' laboratories. The Company rapidly pivoted to focus its resources to develop graphene-based solutions for the fight against COVID-19 and developed a patent-pending GO/silver coating that has shown to effectively inactivate over 99% of the SARS-CoV-2 virus. Additional testing and research have indicated that the Company's compound is also effective against bacteria and fungi. This research and development have resulted in the filing of four patent applications, a patent granted for the Company's ZenGUARD™ technology.

To meet rapidly growing immediate demand for its proprietary antimicrobial compound, the Company began sourcing GO from third parties and is also testing third party graphite as a potential precursor material to produce graphene-based nanomaterials. Consequently, the Company's continued existence is no longer dependent upon the discovery of economically recoverable ore reserves, the ability of the Company to obtain the necessary financing to explore and develop potential ore reserves, or by way of entering joint venture arrangements, future profitable production, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis.

**Supply chain:**

The Company supply chains consist of procurement of goods and services from North America and international suppliers. The Company assessed the risk of forced labour and child labour in their supply chain using the US Department of Labor's List of Goods Produced by child Labor and Forced Labor (<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods/>). Since the products involved in The Company's supply chain are not on the list, the risk is assessed to be very low.

Product	Country of Origin	Procurement Spend (as a % of total)	Risk Rating (as per US Department of Labor)
Graphene	United States	0%	Low Risk
Resin	United States	0%	Low Risk
Fabric	United States	0%	Low Risk
Plastic Drums	United States	0%	Low Risk
Laboratory Support	United States	2%	Low Risk
Laboratory Support	Canada	12%	Low Risk
Professional Services - Patent applications	Canada	3%	Low Risk
Subcontractor – outsourced manufacturing	Canada	1%	Low Risk
Freight	Canada	0%	Low Risk
Laboratory Support	India	0%	Low Risk

### **Policies and Due Diligence Processes:**

The Company had processes in place in fiscal 2025 specific to onboarding new suppliers including annual reviews. However, the Company did not have policies and due diligence processes in place in fiscal year 2025, specific to Bill S-211. The current supplier approval procedure is used to manage suppliers/service providers and to ensure that all supplied products and services conform to applicable quality and/or regulatory requirements.

The Company's current vendor/supplier approval procedure includes safety of product and social audit for overseas manufacturers where social and ethical requirements may be compromised; and therefore, there is a recommendation of social audit by a third-party to ensure that there is no child labour, unpaid overtime etc. The Company plans to update their vendor/supplier approval procedure in the future to prevent and reduce the risk that forced labour or child labour was used at any step of the production of goods in Canada or elsewhere.

The Company is planning to take proactive steps to ensure that there is non-existence of forced labour and child labour at a supplier's workplace by:

- Add the questionnaire for the supplier to complete which will cover aspects regarding labour practices, recruitment processes, working conditions etc.
- Conduct on-site reviews, wherever possible to observe the working conditions, and verifying the information provided in the questionnaire.
- Provide training to suppliers regarding prevention of child labour and forced labour.

- Continuous monitoring of the suppliers including annual audits and reviews.
- Foster open communication with suppliers and encourage them to report any concerns or issues related to labour practices.

The Company is committed to take corrective actions in case of learning of instances of forced and child labour at supplier's workplaces, asking the supplier for their remediation plan including their timeline to implement. If supplier does not take any corrective actions for remediation, the Company will cease business with the supplier.

### **Forced labour and child labour risks:**

The Company procured goods and services from major suppliers based in Canada, the US and India and assessed the risk using the US Department of Labor's List of Goods Produced by child Labor and Forced Labor, the risk is assessed to be very low.

The Company took various steps as a part of this initial assessment of major suppliers including sites visits, interactions with supplier's employees, and observation at supplier's workshops. During these site visits, there were no instances of forced and/or child labour found.

In 2024, the Company contacted their major suppliers, all located in the United States, to discuss Bill S-211 and to get confirmation that they were not aware of any forced and child labour in their supply chain. The following questions were asked:

1. You are not aware of any forced labour, prison labour or child labour being used in the manufacture of any goods that are supplied to Zentek; and
2. You have made the appropriate inquiries with your supply chain companies to ensure that they did not engage in forced labour, prison labour and child labour in the production of their products supplied to you and in turn provided to Zentek Ltd.

All confirmed that they were not aware of any instances.

### **Remediation measures:**

This is not applicable as the Company has not found any instances of forced labour and child labour.

### **Remediation of loss of income**

This is not applicable as the Company has not found any instances of forced labour and child labour.

### **Training:**

Currently, The Company does have human resource training ("HR") through their ERP platform including health and safety, accessibility and other job specific training. This training is mandatory for all staff at onboarding and annually through continuous improvement training. The Company currently does not have training for its employees on forced and child labour.

However, the Company is planning to develop a comprehensive training module to raise the awareness of forced labour and child labour, including definitions, signs of exploitation, legal frameworks, and the companies policies and procedures to address these issues. These modules will be included in onboard training and continuous improvement training.

**Assessing effectiveness:**

Currently, the Company does not have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

However, the Company has a Whistle Blower policy, details of which are available on the Zentek website under our-story/board-of-directors/governance. Confidential and anonymous processes exist whereby persons can report any concerns related to the Company and any subsidiaries.

**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.

Full name: Wendy Ford

Title: Chief Financial Officer

Date: May 30, 2025

Signature: *W Ford*