

**9372-1801 Quebec Inc.**  
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# REPORT

## Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c. 9)

Financial year 2023

### Structure, activities and supply chains

➤ **Structure and activities**

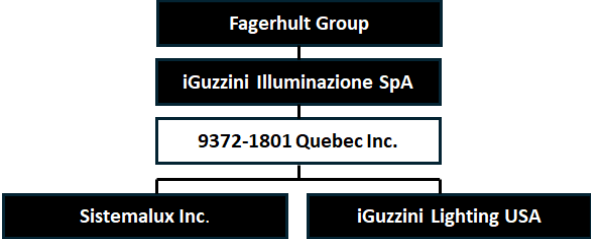
This report has been prepared on behalf of 9372-1801 Quebec Inc. for the financial year 2023. 9372-1801 Quebec Inc. is headquartered in Quebec, Canada, and falls within the definition of an entity as per Section 2 of the Act.

9372-1801 Quebec Inc. is overseen by a board of directors comprising three members: the President, the Secretary, and a board member. Although 9372-1801 Quebec Inc. is not directly engaged in operations, it exercises full control over two subsidiaries: Sistemalux Inc. (Canada) and iGuzzini Lighting USA (USA).

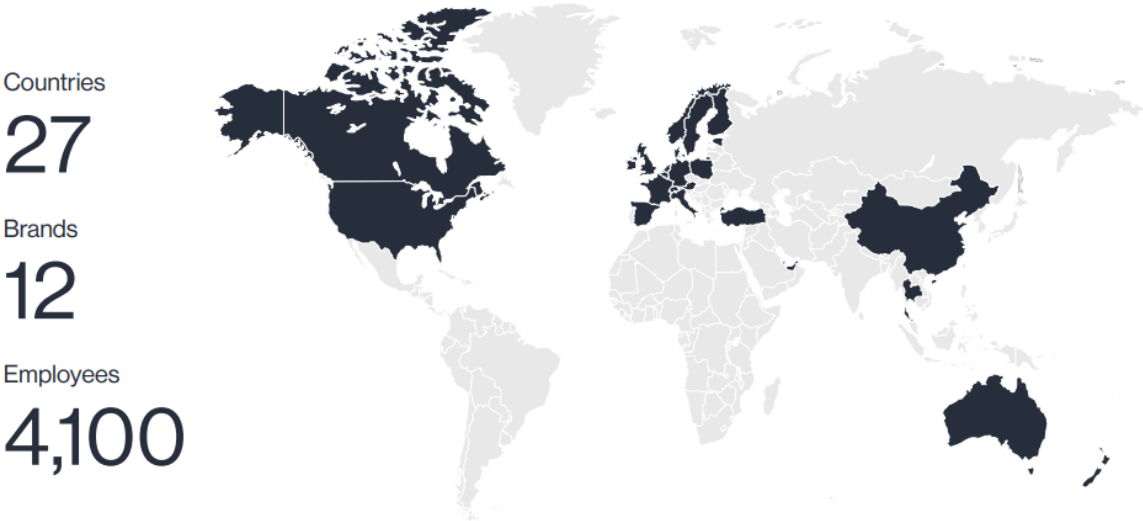
Sistemalux Inc., registered under number 5027SISCA, act as the operational entity of 9372-1801 Quebec Inc. and it is responsible for goods production, supply chain management, and product sales in Canada and the USA (limited to national accounts). In 2023, Sistemalux Inc. employed a total of 175 individuals.

iGuzzini Lighting USA, registered under number 5024IGUUS, is a subsidiary primarily focused on product sales in the USA. In 2023, iGuzzini Lighting USA employed a total of 10 individuals.

9372-1801 Quebec Inc. is wholly controlled by iGuzzini Illuminazione SpA, headquartered in Italy (“iGuzzini”), which, in turn, is controlled by the Fagerhult Group (“Fagerhult”), one of Europe's leading lighting companies.

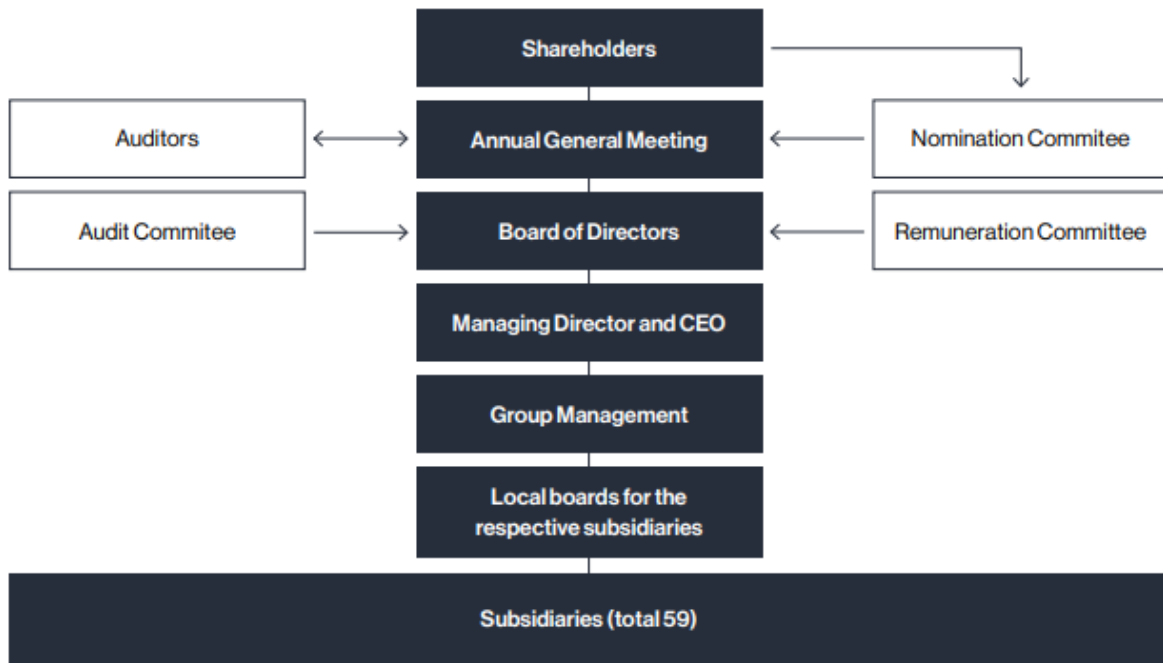


Fagerhult Group’s operations are organized into four business areas which include 59 subsidiaries with around 4,100 employees in 27 countries around the world and 12 lighting brands. Research and development as well as design and production units are located in Sweden, Italy, Finland, the UK, Germany, Australia, Turkey, China, Thailand, the Netherlands and Canada. There is a total of 17 production units in the Group.



[Fagerhult’s Sustainability report 2022]

The operations of the respective subsidiaries are controlled by their leadership teams. The leadership teams of the subsidiaries consist of, among others, the managing director of the subsidiary, the local senior managers of functions, the business area manager and, in most cases, the Group’s CEO and Group’s CFO. A formal work plan is established annually for each subsidiary, in which responsibilities and authorities are clearly delegated and where the work of the subsidiary’s leadership team is governed. These meetings are held twice per year. Fagerhult Group has a decentralized structure, with a strong focus on strategy, local responsibility and performance, which combines with clear, Group-wide processes to realize synergies.



[Fagerhult’s Corporate governance report 2023]

### ➤ Supply Chain

In 2023, Sistemalux Inc. engaged with a total of 110 active suppliers for direct materials and 58 suppliers for indirect materials and services. The majority of suppliers for direct materials were manufacturers or distributors specializing in components, operating primarily in Europe (EU), North America (Canada, USA, Mexico), and Asia (Hong Kong, China, Taiwan).

Below is a non-exhaustive list of products procured in 2023:

- ✓ Finished and semi-finished lighting products
- ✓ Electronic components (drivers, cables)
- ✓ LEDs
- ✓ Optical components (lenses, diffusors, reflectors)
- ✓ Metal parts (extrusions, machined parts, screws)
- ✓ Plastic parts
- ✓ Packaging materials (cardboard, plastic, foam)
- ✓ Consumables (paint, glue, thermal paste, silicone)

### Policies and due diligence processes

9372-1801 Quebec Inc., and consequently its subsidiaries Sistemalux Inc. and iGuzzini Lighting USA, being controlled by iGuzzini and Fagerhult Group, adhere to the principles, policies, due

diligence processes of their parent companies, share common standards and values within the corporate group, and are committed to regulatory compliance and corporate governance.

Observing human rights and guaranteeing the best working conditions are the essential elements on which our company culture and strategy are based, and which constitutes an absolute priority. iGuzzini's sustainability policies represent iGuzzini's public commitment to this issue and confirm the values (see operating principles below) that inspire the company's choices and conduct. In addition to the iGuzzini Code of Behaviour (Leg. decree 231) and the Fagerhult Group Code of Conduct, this Policy transposes the international treaties and conventions regarding human rights, like the International Bill of Human Rights, including the United Nations (ONU) Universal Declaration of Human Rights, and the basic conventions of the International Labour Organization (ILO). iGuzzini also helps achieve the 2030 Agenda Sustainable Development Goals (SDGs).

This Policy applies to **all iGuzzini production sites and operational offices**. Each person in the company is required to observe its principles and contents. This includes employees, managers and members of the Board of Directors. Any companies that work within our facilities are also required to observe it. The principles stipulated in the Policy **also extend to our suppliers**.

- Operating principles

These principles are also part of our Charter of Values

- 1. Humanity** - Our work plays an important role in promoting the well-being of mankind, the company and the environment. Caring for and appreciating people, empathy, working relationships and reciprocal trust are the foundations of all our activities.
- 2. Integrity** - Ethics, morality, responsibility and playing by the rules are our guidelines for guaranteeing the sustainable growth of people, the local area and society. We invest daily in environmental safety and protection to safeguard our future.
- 3. Openness** - We contribute to the development of an international community by maintaining strong bonds and solid roots with our history and homeland. We love operating in a network with no borders that sees differences as a way of growing.
- 4. Innovation** - imagination, creativity and enterprise are essential components of our way of thinking, being and working. We are extremely proud of our research tradition, in both the concept of the company and the development of our industry.
- 5. Beauty** - We use our sensitivity to enhance the beauty of the world through our conduct, the intelligence of our solutions and our services. We conduct research into continuous improvement and excellence with passion and care to stimulate emotion and wonder.

- Our commitments

### **Compliance and legality**

All iGuzzini production units must operate in full compliance with the laws and regulations governing the activities they conduct in the countries they are located in. No form of corruption, bribery or unethical company practice is tolerated.

### **No child or forced labour**

iGuzzini respects international conventions regarding human rights. It supports and respects basic human rights in all its activities. It will not tolerate, in any circumstance, child labour and it respects the minimum employment age in compliance with local legislation. It also rejects any knowing use of forced or obligatory labour, including slave labour, forced labour for prison inmates and any form of harassment or physical, sexual, psychological or verbal maltreatment, intimidation or abuse.

### **Working hours and a fair wage**

Employees cannot be requested to work beyond the limits established by the legislation in force in the local area. The salaries paid and the services supplied in compliance with the standards stipulated for the category in question, including overtime and other compensation, must be equal to or above the minimum level guaranteed by the law and collective labour agreements for the category.

### **Protecting health and safety in the workplace**

iGuzzini is committed to offering high safety standards in the workplace for both its own employees and the people who work with us on a daily basis (e.g. suppliers, customers). Every production unit must adopt the provisions required for the prevention and management of potential occupational accidents and illnesses. In accordance with the relevant national regulations, iGuzzini operates in such a way as to identify, assess and reduce all occupational health and safety risks. At the same time, it works to continuously improve the working environment for its personnel. Our goal is to reach a stable level of 'zero accidents' and guarantee the operating conditions required to reduce the risk of occupational illnesses.

### **Diversity and equal opportunities**

iGuzzini recognizes and respects diversity and cultural differences, regardless of gender, family status, ethnicity, nationality, sexual orientation, religion, political opinions, age or disability. In every sphere of professional life (recruitment, promotion, remuneration, provision of benefits, training, dismissal and termination of employment) every employee will be considered and treated in a fair and nondiscriminatory way.

### **Training staff and developing their careers**

iGuzzini is committed to training its workers in order to encourage their development and make the company competitive with regard to business and market requirements. The training courses offered by the company are designed to adapt the knowhow and skills required by the role in question and to boost the professional development of iGuzzini workers. iGuzzini

respects all the legal obligations regarding mandatory training activities in the countries it is operating in. Every company in the Group is responsible for ensuring that the mandatory training legally required by the country they are operating in, is provided.

### **Freedom of association and collective bargaining**

All employees are free to exercise their legal right to constitute organizations representing their interests and to become members of them or not. No employee must be subject to intimidation or harassment when exercising these rights. Every worker's right to collective bargaining must be respected.

### **Personnel data and information security**

In compliance with the European Ruling 679/2016 (GDPR) and the regulations in force in each of the countries we operate in, iGuzzini is committed to protecting the integrity, confidentiality and availability of the personal data of each employee, worker (internal or external), consultant, supplier, customer and/or third party that works with the company continually and not temporarily.

### **Responsible supply chain management**

iGuzzini believes that responsible supply chain management is indispensable for guaranteeing high product and service quality standards and achieving continuous process improvement. Quality, ethics, human rights and working conditions, health and safety, the environment and energy are all aspects that are carefully considered and assessed throughout our production and distribution supply chain, from our selection of suppliers to their systematic monitoring and the implementation of training and awareness raising initiatives.

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

### ➤ **Internal Human right policies and application to the Supply Chain**

- Iguzzini's sustainability policies

The Management is responsible for implementing, diffusing and checking that all production units comply with this Policy. These units are also responsible for training employees, who, in turn, are responsible for acting in compliance with this Policy.

The Management also undertakes to regularly monitor that each iGuzzini unit complies with the Policy through prevention activities (training and information on the issues indicated in this Policy) and systematic reporting on the indicators defined in it.

- Fagerhult's Code of Conduct

During the year Fagerhult created a joint Code of Conduct for business partners. It is the basis for our actions in relationships with our suppliers, customers and other business partners. It also clarifies the requirements and expectations that we have for our partnerships. Partnerships

and collaborations with people are important parameters for succeeding in our sustainability journey, where all of our stakeholders are included in some form. This applies to internal as well as external partnerships.

Our Code of Conduct is a set of rules that will help us to act according to our Core Values and ensure we do business with the highest professional standard. It is our strategic tool to ensure that we conduct business in accordance with laws and regulations.

Internal training in the Code of Conduct was carried out for all employees with external contacts.

All Fagerhult subsidiaries have started implementing the Code of Conduct on a shared IT platform.

Fagerhult Group's decentralized business model means that each company in the Group is responsible for ensuring that its supply chain meets the Group's standards for sustainability and business conduct.

The procurement function is tasked with ensuring that our suppliers adhere to the international guidelines for human rights, freedom of association, collective agreements, anti-corruption, and efforts to prevent child and forced labour.

These apply for all Group companies, regardless of the number of suppliers. Companies are to continuously monitor and evaluate input materials from suppliers to ensure compliance with legal requirements and any new technological standards.

➤ **Identification of the risks of forced labour and child labour**

- Whistleblower function

Fagerhult Group has a whistleblower function that allows employees and other stakeholders to anonymously report discrepancies and irregularities in breach of the Code of Conduct. In many countries where we operate, we have a legal obligation to protect those who use our whistleblower function. To ensure complete anonymity, we have contracted an external supplier for our whistleblower portal. We maintain an overall reporting channel at the Group level, as well as individual reporting paths for our various Group companies.

Fagerhult Group's whistleblower function is available online, on the external website, as well as internally via the external whistleblowing service WhistleB at <https://report.whistleb.com/en/fagerhultgroup>.

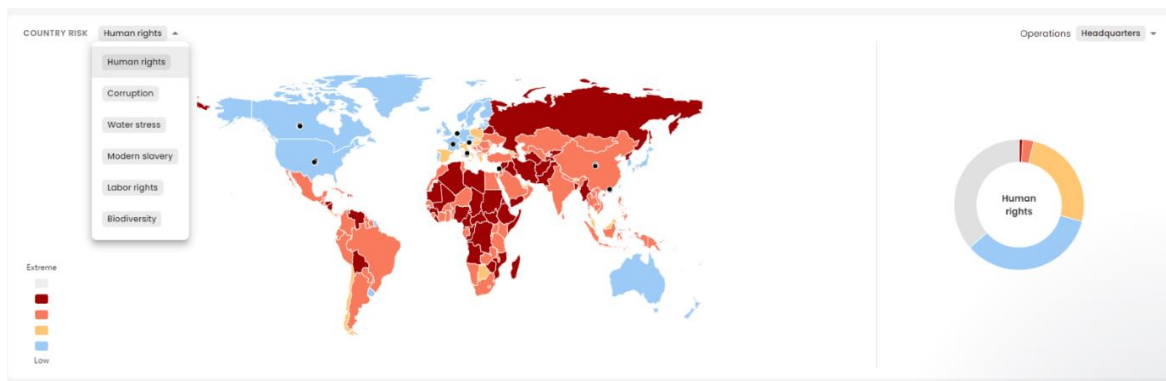
- Supply chain mapping

The Fagerhult group utilizes Worldfavor's ESG platform to manage sustainability data. In 2023, we requested our suppliers to register on the platform and to endorse Fagerhult's Code of Conduct online.

This platform also aids us in conducting a supplier risk assessment by assigning a level of risk to each supplier based on its geographic location in terms of:

- ✓ Human rights
- ✓ Corruption
- ✓ Water Stress
- ✓ Modern Slavery
- ✓ Labor rights
- ✓ Biodiversity

Once our suppliers register on the platform and are automatically assigned a risk level, the subsequent step is to dispatch a self-evaluation questionnaire to those identified as high-risk. This process helps us ascertain whether the perceived risk is real.



[Screenshot – Worldfavor platform]

## ➤ Risk management

- Laws and rules

In countries where we operate, the laws and regulations of that country must be followed. We respect and follow rules on competition, environmental legislation, labour laws, data protection, agreements and other provisions that affect our operations. We must not offer business partners or other stakeholders rewards or benefits that contravene relevant laws or reasonable and accepted business practices.

- Reporting

Any deviations or irregularities that contravene our Code of Conduct or other laws are reported to, and handled by, the Group's General Counsel and HR manager. Adjustments to guidelines and processes are made as necessary. The CEO is ultimately responsible for reporting significant deviations, other critical affairs and stakeholder opinions to the Board.



## Remediation measures

No deviations from laws, regulations or internal guidelines were identified through the Group-wide reporting channel in 2023. Furthermore, no other critical concerns have been uncovered.

Our management and procurement teams have not detected any instances of forced labor or child labor in our activities or supply chain. The process of evaluating risks is still ongoing through mapping.

As a result, our entity did not implement any remediation measures in 2023.

## Remediation of loss of income

Our entity has not identified any instances of forced labour or child labour in our activities and supply chain.

Consequently, no actions have been taken to remediate the loss of income for vulnerable families

## Training

All employees and suppliers are informed of iGuzzini's policy, either through specific training sessions designed to suit the roles and responsibility of the employee and given when they first join the company, or by consulting the policy that is published on the company website and intranet. This is why it is available in the languages of the countries the production units are based in. The Policy will also be regularly revised to ensure it is properly implemented, relevant, and ready to adapt to any changes in the external context.

In 2023, a mandatory online internal training on Fagerhult's Code of Conduct was conducted. The training covered various topics, including:

- ✓ Business Principles
- ✓ Corruption
- ✓ Bribery
- ✓ Partner Assessment
- ✓ Personal Relationships at Work
- ✓ Human Rights and Working Conditions (forced labour, child labour)
- ✓ Our Sustainability Agenda
- ✓ Reporting and Whistleblowing

This online training is mandatory for all employees engaged in external contacts with suppliers, customers and partners, ensuring a shared understanding of what the Code of Conduct entails in our daily work environment.

The training session lasts approximately 30 minutes and is available in English or French. It includes training videos followed by a survey to ensure a thorough understanding of the core principles of the Code of Conduct.

At the end of the training, employees are encouraged to feel confident in reporting any uncomfortable business situations to their manager, group management, or via the external whistleblowing platform.

## **Assessing effectiveness**

No actions have been taken yet to assess the effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chain.



**Cristiano Venturini**

President

## Annexes

Click on the links:

1. [Fagerhult Group's Code of Conduct](#)
2. [iGuzzini's Code of Conduct](#)
3. [Fagerhult Group's Code of Conduct for business partners](#)
4. [IGuzzini's Sustainability Policy](#)
5. [Fagerhult Group's Sustainability report 2023](#)
6. [Fagerhult Group's Governance report 2023](#)
7. Commitment letter UN Global Compact [Fagerhult Group | UN Global Compact](#)
8. [Sustainability: Light Impact \(iGuzzini.com\)](#)

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## **ATTESTATION**

In accordance with the requirements of the **Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c. 9)**, 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 9372-1801 Quebec Inc.

**Cristiano Venturini**

President

