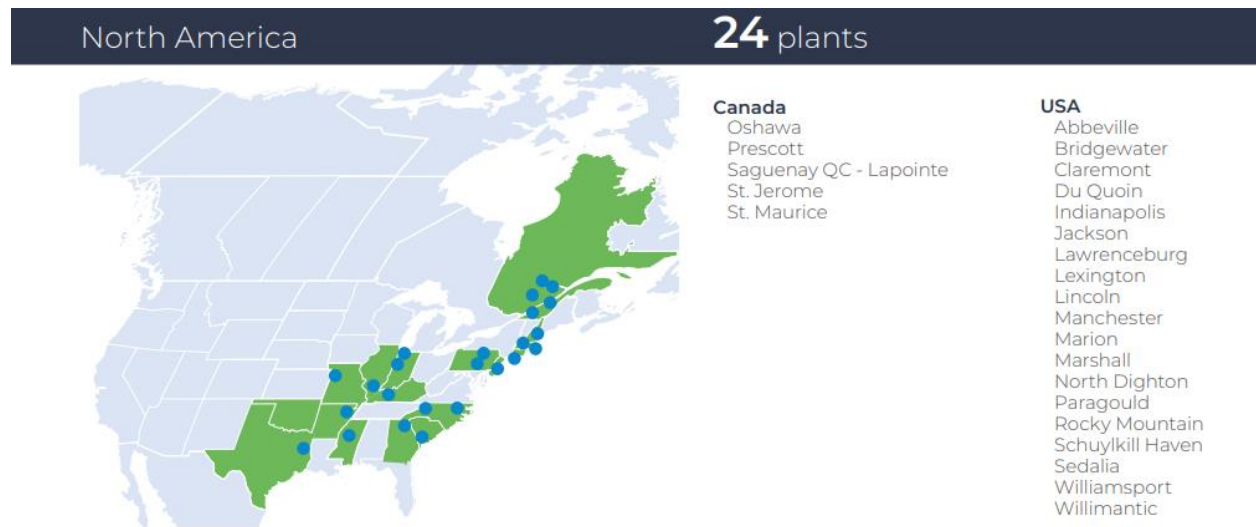


## Canadian Forced Labour Report

### Who We Are

With a direct presence in more than 50 countries around the world, 108 factories, 26 R&D centers and over 30,000 employees, Prysmian is a global leader in cable systems for energy and telecommunications. Prysmian's Headquarters in Milan, Italy, employing around 800 persons, is supported by regional headquarters in **North America**, South America, EMEA (Europa, Middle East and Africa) and APAC. Prysmian was established in 2005 following the acquisition of the Energy Cables and Systems and Telecom Cables and Systems businesses of Pirelli by the Goldman Sachs group.

The **North America** region is comprised of the following production facilities:



There are 5 Canadian production plants and a Canadian Headquarters located near Toronto. This report will be a joint reporting for the following Canadian legal entities:

- Draka Elevator Products, Incorporated
- EHC Canada, Inc.
- EHC Global Inc.
- General Cable Company Ltd.
- Prysmian Cables and Systems Canada, Ltd.



## What We Do

Every day, worldwide, Prysmian contributes to the development of smarter, more sustainable electricity and telecommunications networks to transport clean energy and information faster and farther.

While Prysmian's positioning as a "cable manufacturer" remains at the heart of what it does, the new strategy announced in late 2023 aims to position Prysmian as a "Global provider of cabling solutions, at the helm of the energy transition and the digital transformation; "Connect, to lead." Indeed, the ability to increasingly integrate the various components of engineering, installation, network monitoring and after-sales services into value-added services guarantees recurring revenue and long-term partnerships with customers.

Energy Division specializing in products and services for power distribution and special cables for applications in a wide variety of industries, as well as medium- and low-voltage cables and accessories for the construction and infrastructure sectors:

- Energy & Infrastructure, which includes the Trade & Installers business, with a focus on the industrial and infrastructure segments (cables for power distribution to residential, commercial and industrial facilities and for infrastructure such as airports, ports, railway stations and data centers), and Power Distribution (medium-voltage cable systems for overhead and underground installations, and the related accessories and network components, for connecting industrial and/or residential buildings to the primary distribution network)
- Special Cables for the Industrial & Network Components segments that include a broad range of cables for different industries – from renewables to marine, automotive to aerospace, flat lift cables to network monitoring solutions – with a high level of specificity, including turnkey and maintenance services.

Telecom Prysmian is the world's largest supplier of state-of-the-art cables and accessories for voice, video and data transmission, and offers a full range of fiber optic, optical and copper cables and connectivity systems:

- Telecom solutions: fiber optic and copper telecom cabling solutions and related connectivity accessories. In both cables and connectivity, Prysmian focuses on designing products that provide higher density in smaller diameters, are easy to use and optimize fiber management.
- MMS Multimedia Specials: fiber optic and copper solutions for fixed or mobile multimedia communication, such as audio-visual content transmission, or indoor connectivity – increasingly important for the development of smart buildings and the Internet of Things.



- Fiber optic: Prysmian produces single-mode and multimode optical and special fibers, using an innovative proprietary technique that places the company at the forefront of today's technology.

Projects from underground cable systems supporting the energy transition and powering wind farms, to undersea systems installed by the company's cable-laying vessels, Prysmian works on supply-only and turnkey projects for some of the world's largest operators. Prysmian uses specific technologies for undersea power transmission and distribution and offers sophisticated solutions that satisfy the strictest international standards. It specializes in the manufacture and installation of data transmission cables. The Offshore Specialties business includes a wide range of products for the oil industry. Prysmian has built a unique set of assets to meet market needs: with the ability to deploy connections more than 200 km long, an installation depth of up to 3,000 meters, proven expertise, a turnkey offering combining technology, installation, monitoring, maintenance and repair, and innovative and environmentally sustainable materials, Prysmian is the partner of choice for major global operators.

- Draka Elevator Products, Incorporated – Sales, Marketing or Distribution
- Prysmian Cables and Systems, Ltd. – Manufacturing or Production; Sales, Marketing and Distribution
- General Cable Company, Ltd. – Manufacturing or Production; Sales, Marketing and Distribution
- EHC Canada, Inc. – Research and Development; Holding / managing intellectual property; Manufacturing and Production; Sales, Marketing or Distribution; Administrative, Management or Support Services
- EHC Global, Inc. - Holding Shares or Other Equity Instruments

## **Our Supply Chains**

Being a global leader in manufacturing and having to directly source metals and raw materials entails a number of challenges, including the need to continuously monitor the entire procurement base, ensuring that all of Prysmian's business partners apply ethical conduct in their business processes.

Prysmian can count on a broad, diversified procurement base, with mutually advantageous business relationships. Most of the company's suppliers are established leaders in their markets, applying best practices managing ESG factors. At the same time, Prysmian also works with smaller players that can benefit from working with a customer like Prysmian, willing to support their business continuity and make recommendations on how to improve their sustainability management. Prysmian's supply chain is broken into three segments.

## 1. Base metal

The Base Metal category includes three raw materials: aluminum, copper and lead; the first two account for the majority of raw materials purchased by Prysmian. The essential element of the cable conductor manufacturing process is copper and aluminum wire rod. These metals are purchased from the world's major mining companies, while Prysmian manufactures only modest amounts of wire rod itself (less than 10% for copper and about 25% for aluminum compared to total requirements). Given the highly fragmented copper market, Prysmian represents one of the major economic players in the industry. The company's metal procurement strategy takes into consideration three aspects:

- The importance of suppliers within Prysmian's value chain
- The high consumption of metals
- The widespread geographical distribution of Prysmian's production sites

With specific reference to aluminum sourcing, the choice is increasingly leaning toward vertically integrated suppliers (with processes that produce aluminum wire rod from alumina directly) versus non-integrated producers (producers who purchase aluminum ingots for wire rod production).

This strategy, in addition to having several advantages in terms of both supply security and costs, is also much more environmentally sustainable, thanks to the simplification of logistics flows and the elimination of the ingot remelting cycle. Given the high power consumption required by the metalworking processes, Prysmian has also adopted ecological footprint as a criterion for supplier selection, allocating significant portions of its portfolio to aluminum manufacturers with a reduced environmental impact. Collaborating with leading companies in the copper and aluminum sectors, which are equally concerned with environmental sustainability, thus creates a highly sustainable end-to-end cycle. In addition, Prysmian has been working to make trade more sustainable through increased digitalization and, in the future, it aims to adopt an increasing number of initiatives in collaboration with suppliers.

## 2. Raw materials

While Base Metal is mainly used for energy cable conductors, all other raw materials prove useful for a wider range of products and applications:

- Cable raw materials (used for insulation and conductor protection), such as polyethylene and PVC-based compounds, rubbers, special plastics, yarns, tapes and galvanized steel cables
- Raw materials for optical fibers such as coatings, glass tubes, high-purity quartz sand and silicon-based donor products
- Components for energy and telecommunications accessories such as connectors, composite insulators for metal parts, enclosures and junction boxes
- Raw materials and components for elevators and escalators

- Materials and components for optical and electronic sensing solutions

With a broad range and small volume of raw materials purchased, Prysmian is not a significant partner for most of the suppliers of the raw materials listed above. Typically, Prysmian uses either goods that are widely available from multiple sources or high-performance raw materials that are produced only by a small number of suppliers, often highly specialized multinational companies characterized by strong technological know-how and high specialization in the cable and conductor market.

Prysmian regularly assesses potential financial and operational risks, which may derive from circumstances such as single-source sourcing or supply-demand imbalance. These risks are managed by entering into long-term supply agreements when there is only one supplier or when its replacement would entail considerable difficulty and take a long time. In the event of risks linked to limitations in market supply, Prysmian works with the technical functions to identify alternative suppliers to diversify supply options.

### **3. Non-raw material**

The Non-Raw Material category incorporates all the services and goods that are not directly connected to the end products. Excluding installation services, this category specifically includes: transportation, packaging, MRO (maintenance, repair, and operations services) and utilities, which account for more than 50% of total expenditure for the category. Services that fall under these four definitions are handled in very different ways, depending on the level of centralization required:

- **Transportation:** For these services, there is strong support from headquarters in managing global or domestic agreements with international suppliers that provide specific expertise in logistics aspects and billing process management. Relationships with these suppliers are established through long-term partnerships with the following objectives: highest quality and efficiency in logistics flows, high level of service and on-time delivery, cost management and price stability to avoid “spot” market fluctuations. Increasing attention is also paid to the ability of transportation and logistics suppliers to measure and report CO2 emissions generated “on behalf” of Prysmian.
- **Packaging, in turn, broken down into:**
  - **Reels:** They represent the most common packaging method for transporting cables to their final destination, which is generally defined based on national contracts coordinated by headquarters. Prysmian mainly purchases wood and steel reels, with a smaller share of plastic and plywood reels. Steel reels are returnable and, after being repaired, are reintroduced into the cycle, while wooden reels are not always reused. As a result, one of the company’s most important goals is to increase the amount of reused wooden reels. Initiatives are also underway to replace some of those purchased already assembled

with reel kits, to reduce the space needed to transport them and, consequently, the carbon footprint of transport operations. Regarding plastic reels, the company is considering alternative materials and is trying to increase the use of recycled plastic materials instead of virgin plastic. In 2021, Prysmian partnered with a selected supplier of plastic reels to use its own plastic waste to close the cycle. Starting in 2023, the company launched a program to promote the responsible use of wood used for reels and packaging as much as possible by mapping suppliers with certifications that support the responsible use of the material (PFEC, FSC, Canadian Wood Pallet certification program, Timber Trade Federation). 60% of the company's expenditure on wood products comes from suppliers holding such certifications. The ultimate goal is to increase this share.

- Other packaging materials: Pallets, wooden planks, endcaps and foam materials used to cover the reel once it is loaded. This part of the expenditure is managed at the local level, with the aim of reducing costs as much as possible and promoting the adoption of more environmentally sustainable solutions.
- MRO (Maintenance, Repair and Operations): This category includes a wide range of materials and services, mainly spare parts (mechanical and electrical) and PPE. These services are mostly handled nationally, while in some cases, facilities may refer to local workshops that offer better service at more competitive prices than the major players. The objective is to maintain PPE management at the national level so that strict controls are in place to ensure that all safety requirements are met. Spare parts management is also largely centralized, while local agreements may be made for repairs to ensure more efficient management.
- Utilities: Among these supplies, the largest share is related to electricity (85%). Each year, Prysmian analyzes utility expenditure in detail, evaluating the possibility of using more environmentally friendly energy sources (e.g., investment in solar panels and farms at selected factories), increasing plant efficiency to reduce energy consumption (e.g., LED lighting initiatives) and investing in the purchase of GO (Guarantees of Origin) certifications.

The Canadian entities of Prysmian manufacture energy and specialty cables, which would entail sourcing the specific materials below:

- Draka Elevator Products, Incorporated – conduit, cable, and wire rope
- Prysmian Cables and Systems, Ltd. – aluminum and copper
- General Cable Company, Ltd. – aluminum and copper
- EHC Canada, Inc. – SBR rubber and thermoplastic urethane
- EHC Global, Inc. – no materials required as a holding company

## How We Work to Ensure Our Supply Chains Are Free of Forced Labour and Child Labor

### 1. Our Policies

Concerning the social impacts deriving from the origin of its materials, Prysmian adopts measures to monitor and prevent potential infringements of human rights:

- Prysmian implements a **“Conflict Minerals Policy”** intending to guarantee a conflict-free supply chain that does not contribute to fueling armed clashes in conflict zones and high-risk areas; this objective is pursued through the following activities:
  - Identification of purchased materials and/or semi-finished products containing 3TG (tin, tungsten, tantalum and gold); – requesting all new and regular suppliers of products containing the above materials to complete the latest version of the Conflict Minerals Reporting Template (CMRT), developed by the Responsible Minerals Initiative (RMI) (using international formats and standards);
  - Analysis of the information received for red flags and inconsistencies and implementation of appropriate corrective actions.

The policy, drawn up in 2017 and approved by Prysmian’s CEO, is publicly available on the company’s website.

- To manufacture certain safety cables and make them fire-resistant, Prysmian contacts producers and distributors to purchase limited quantities of certain types of glass-based tape containing low percentages of mica. This mineral is not used directly in the company’s products and production processes. Mica is mined in geographical areas where several factors contribute to unsustainable working conditions and the use of child labour. Since 2016, Prysmian has been involving suppliers of mica-containing products in activities to raise awareness of working conditions.

Prysmian gives special attention to the analysis of risks present in the supply chain and makes responsible efforts to work with suppliers that share the objectives defined in its Human Rights Policy, requiring appropriate disclosures regarding mica sources and to certify the absence of child labour. Prysmian is also committed to reducing the amounts of mica in its products as much as possible. The volumes of mica purchased are now in the range of 0.05% of total raw material requirements for the company. Prysmian has been addressing this issue since 2016 by requiring all suppliers to provide appropriate information about their mica sources and certify the absence of child labour. In 2021, Prysmian became the first business in the cable industry to join the Responsible

Mica Initiative (RMI). Membership of the RMI enables Prysmian to exercise even more effective control over its supply chain.

- **Code of business conduct** – To ensure compliance with ethical, economic, environmental and social standards throughout the value chain, Prysmian has adopted a Code of business conduct that promotes a responsible and sustainable supply chain. This document, prepared by the Supply Chain function and approved by Prysmian's CEO, is available on the corporate website.

The principles set out in the Code apply to the business transactions and daily activities of the employees of all Prysmian entities and their suppliers, business partners, commercial agents, sub-contractors and distributors.

The Code covers the following topics:

- Business integrity (fair trade, conflicts of interest, gifts and offers of entertainment, corruption, corporate responsibility);
- Human rights and workers' rights (child and forced labour, occupational health and safety, non-discrimination, freedom of association and collective bargaining);
- Environment (principle of precaution, use of raw materials and compliance, energy consumption, greenhouse gases and other emissions, water consumption, waste generation and recycling).

Prysmian's application of the related guidelines is impressed on suppliers at the preliminary stages of collaboration. Finally, regarding the economic impacts resulting from its procurement practices, in order to report on the company's commitment to fostering the growth of all geographical areas in which it operates, Prysmian also monitors and reports the percentage of expenditure on goods and services devoted to local suppliers.

### **Our Due Diligence Processes**

- Supply chain strategy and vendor management - The increasing development of supply chain sustainability activities has made it necessary to develop a specific strategy. The "Supply Chain Strategy and Vendor Management" document summarizes the main characteristics of Prysmian's supply chain strategy and the actions taken to integrate ESG factors into its management. The document has been available on the corporate website since 2021.



**Policies**

- Code of Ethics
- Code of business conduct
- Conflict Minerals Policy
- Human Rights Policy

**Questionnaires**

- Supplier qualification questionnaire (Raw materials and Base metals)
- Conflict Minerals Reporting
- Template (Base metals)

**Technical evaluation****Assessment**

- Supplier Desk Analysis
- Supplier Risk Analysis
- Sustainability audit
- Responsible Mica Initiative activities

**Monitoring of performance**

- Purchases dashboard
- Supplier ratings (ODT)
- Supplier management (Energy projects)

- Sustainability Scorecard
- Sustainability training
- ESG factors as recognition drivers

## Supplier analysis and management

As envisaged by the Supply Chain Strategy, Prysmian carries out the following assessment activities to analyze further and monitor the related risks:

- Supplier Desk Analysis: The primary purpose of developing the Supplier Desk Analysis is to assess the sustainability of major suppliers. The analysis considers social, economic and environmental (ESG) criteria and is performed by a third-party partner of Prysmian on relevant topics for the company. Specifically, the Sustainability Partner analyzes the websites of each supplier plus any other forms of public information, evaluating available data relating to three macro areas:
  - Sustainability and management systems;
  - Environmental criteria;
  - Human rights and workers' rights.

In 2023, the assessment analysis of suppliers with potential social and environmental impacts involved 500 suppliers, compared to 150 in 2020, covering 71% of Prysmian's expenditure. The analysis identified specific environmental, social and governance risks in the supply base.

- Supplier risk analysis: The supply chain risk analysis is based on the assessment and analysis of data obtained from the Desk Analysis (therefore

considering the same 500 suppliers described in point a), and combines sustainability scores obtained with a list of parameters deemed critical by Prysmian for risk assessment purposes. Combining these elements enables Prysmian to identify the clusters of risk and, among these, critical suppliers.

## **2. Employee Training on Forced Labour and Child Labour**

Prysmian requires suppliers to show rigorous respect for human rights, applying a specific Due Diligence process that assesses the risk at the supply chain level.

Furthermore, 11,168 hours of training were provided in 2023 on the topics of Ethics and Human Rights, with a view to raising and disseminating awareness about them within Prysmian. More information about Prysmian's human rights due diligence process can be found in the Human Rights section of the corporate website.

## **3. How We Monitor Ourselves and Our Suppliers**

Prysmian's Human Rights Policy was introduced in 2017. This policy, available on the corporate website of the Group<sup>44</sup>, is based on various international standards (such as the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), the United Nations Global Compact, etc.) and applied at all locations and in all Prysmian activities. In addition, a Human Rights Due Diligence process, available on the corporate website, has been in operation since 2018, enabling Prysmian to map the potential impacts that the company's operations may have on respect for human rights.

Applying our Due Diligence process, the assessment of all production locations that commenced in 2022 was completed in 2023. Following this assessment, nine plants found to be at high risk of violating human rights were audited to check if there was any substance to this analysis.

For our suppliers, a sustainability audit program was implemented in 2017 with the goal of performing 30 ESG audits by the end of 2022. This goal was achieved and the auditing program has been extended beyond 2022. These audits were performed with support from an external consultant. Suppliers subject to audits are identified based on the score assigned to them downstream of the Risk Analysis. The results of the audits performed are shared with them, with the aim of generating positive change in those that are underperforming. If the results are satisfactory, the supplier is no longer considered high risk. If the audit results are not satisfactory, a follow-up audit is carried out based on an agreed action plan. Prysmian's major suppliers are regularly involved in specific activities, such as workshops and collaboration on developing more sustainable products, to generate a medium/long-term impact on the industry. With regard to base metals, many Prysmian suppliers participate in the



most important industry initiatives, such as the Copper Mark and the Aluminum Stewardship Initiative (ASI).

## **We Are Aware of Risks of Forced Labour or Child Labour Use in Global Supply Chains**

Prysmian faces daily complexities arising from the management of organizational and business activities carried out by persons with different social and cultural backgrounds. Despite constant commitment, careful supervision and periodic awareness building, with the provision of specific information and training sessions, it is never possible to exclude episodic improper conduct in violation of policies, procedures and the Code of Ethics and, therefore, of current regulations concerning human rights by those who carry out activities on behalf of Prysmian, with consequent possible penalties, significant reputational damage and business impacts.

As an international business operating in many countries and communities, Prysmian is passionately committed to respecting and safeguarding the human rights of all employees and all those affected by our activities. The objective is to ensure that Prysmian is not involved in any way, either directly or indirectly, in activities that violate human rights.

## **How We Have Addressed Reported Risks or Use of Forced Labour or Child Labour in Supply Chains**

Prysmian has to date not encountered situations of forced labour or child labour and has therefore not had to remedy and rectify such situations.



## 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.

Saskia Veerkamp

Prysmian North America CFO

May 28, 2024

A handwritten signature in blue ink, appearing to read 'S Veerkamp', with a stylized flourish at the end.

I have the authority to bind Draka Elevator Products, Prysmian Cables and Systems Canada, Ltd., General Cable Company Ltd., EHC Canada, Inc., and EHC Global Inc.