

Bill S-211 Report – Enablence Technologies Inc.

Introduction This statement is issued in accordance with Bill S-211, an Act to support the Fight Against Forced Labour and Child Labour in Supply Chains and to amend the Customs Tariff. Enablence Technologies Inc. (“The company” or “Enablence”) fulfills the criteria outlined for an Entity within the Act by maintaining a business presence in Canada, actively conducting operations within the country, possessing assets located in Canada, and meeting the prescribed revenue and asset thresholds. This report outlines the strategies and initiatives pursued by Enablence and its subsidiaries to identify and address the risks of forced and child labour within its operational framework and supply chain networks during the fiscal year 2023.

1. Structure

Enablence Technologies Inc.

Enablence is incorporated under the Canada Business Corporations Act. The head office of Enablence is located at 390 March Road, Suite 119, Ottawa, Ontario, K2K 0G7, Canada. Enablence is a publicly traded company listed on the TSX Venture Exchange (“TSXV” – ENA). The Company designs, manufactures and sells optical components, primarily in the form of planar lightwave circuits (“PLC”) on silicon-based chips. Enablence products serve a global customer base, primarily focused on data centre and advanced vision end markets in which Enablence works with customers that have emerging market uses for its technology, including medical devices, automotive LiDAR and virtual and augmented reality headsets. In select strategic circumstances, the Company also uses its proprietary, non-captive fabrication plant in Fremont, California to manufacture chips designed by third party customers. The Company employs 49 full time employees across Canada, the United States of America and China.

Name of Entity	Place of Incorporation	Percentage Ownership
Enablence Technologies Inc.	Canada	
Enablence FTTx USA Inc.	Delaware, USA	100
Enablence USA Components Inc.	Delaware, USA	100
Enablence Canada Inc.	Canada	100
Enablence (HK) Ltd.	Hong Kong	100
Suzhou Enablence Photonic Technologies Co., Ltd.	China	100

Supply Chain:

Enablence Technologies has established partnerships and supply agreements with primarily US-based suppliers, but also includes overseas suppliers. The

company maintains high standards for its production inputs and rigorously vets its suppliers for quality and trustworthy sourcing.

Raw materials suppliers:

Raw Material	Location
Tetraethyl orthosilicate	Global locations
Triethyl phosphate	Global locations
Tetraethyl Silicate	Global locations
Ethyl Borate	Global locations
Germanium methoxide	US location
H2SO4 (96%), H2O2 (30%), IPA, Acetone	US location
Photoresist AZ726	US Location

Internal Activities and Due Diligence Processes

Internal Activities

The company abides by the Employment Standards Act for Canadian hiring and Department of Industrial Relations governance in California for US hiring. Enablence employs a dedicated HR Manager in California, whose responsibility it is to stay current on regional employment policies, in Canada, US and China. The HR manager manages the hiring process, complete with background checks, and new employee training (based on Board of Directors approved Employee Handbook). All manufacturing is carried out in California, a state that has some of the most stringent employment controls in the country. The policies and controls have become the high watermark for all hiring in the company, to ensure that as a publicly traded company, there are no forced labour or child labour risks.

Enablence uses California labour laws and workplace governance as its high watermark for the entire organization given the majority of its workforce and production are carried out in Fremont, California. California’s governance in the workplace span a number of key areas including:

- Safety and Health protection on the job (OSHA – Occupational Safety and Health Association)
- Discrimination and Harassment
- Minimum Wage
- Whistleblowers
- Employee rights (pregnancy, medical leave, disability, LGBTQ+, insurance)

These laws and rights are prominently displayed through the facilities and statutory training is conducted with all employees to align to these governing laws. In terms of child labour and forced labour policies, while there are no specific call outs within the program, there is an implicit impact of prevention through the administration of these

rights. Enablence has 73% of its workforce based in one location in Fremont, California with its entire supply chain for production managed at that location. Its due diligence around product sourcing, manufacturing and labour law adherence are manageable within one operation. For the five Canadian employees located in Ottawa, Canada, the Canadian laws provide a high watermark with regard to employee relations and rights.

Due Diligence

Enablence sources its raw materials from globally recognized companies that have standards protocols given its rigid standards on manufacturing, quality assurance and reliance on high yield production for its microchips. Given these requirements both on Enablence and its manufacturers of its factor inputs, the risks of child labour and forced labour in the supply chain are mitigated. There are regulatory bodies that govern the production and use of hazardous materials within Canada and United States.

Identifying and addressing risks in our Supply Chain

Enablence Technologies Inc. has conducted a review of our supply chain to identify our key suppliers. Our supply chain is limited to the above raw materials providers identified above and the delivery of those raw materials arrive at one manufacturing location in Fremont. The work product for that manufacturing facility is photonic wafers that are cut into microchips sold in a B2B transaction to enterprises that embed these productions into broader solutions. The manufacturing process is conducted on one floor in Class 100 Cleanroom with restricted entry. The wafers that are produced are stored in that cleanroom facility and shipped directly to the Suzhou facility for quality assurance testing, at which point they are then shipped to customers. The risks for the use of forced labour and child labour are significantly mitigated in their controlled environment.

Policy Commitments and Process Improvements

Enablence Technologies Inc. is firmly dedicated to safeguarding human rights and ensuring the absence of forced and child labour in any products or services within our supply chain. Our company is unwavering in its commitment to conducting business ethically and with integrity in all relationships, ensuring full compliance with Bill S-211.

Listed below are some of the initiatives that will be undertaken by Enablence as we move towards the next reporting cycle to ensure our compliance:

- Enablence will incorporate clauses regarding child and forced labour into its Employee Handbook, and its employee relations policies to ensure that risks of using child and forced labour are eliminated.
- Provide training and information sessions to the procurement personnel responsible for onboarding new suppliers to ensure their compliance with Bill S211.
- Add compliance to Bill S211 to Enablence Technologies Inc. standard risk assessment and due diligence exercise for onboarding new suppliers.

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 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.

SIGNING AUTHORITY

Full Name: Stan Besko

Date: May 31, 2024

Title: Chief Financial Officer

Signature: 

I have the authority to bind 'Enableness Technologies Inc.' and this report covers financial year 2023 and applies to 'Enableness Technologies Inc. and all its subsidiaries'