

Vigilance plan

Principles and methodology – Report 2023

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I – Vigilance plan overview

Nexans fully understands that selecting responsible suppliers is crucial for conducting activities aimed at sustainable development. Therefore, Nexans has implemented a vigilance plan for its suppliers, paying particular attention to human rights, ethics, and environmental respect.

This plan includes:

- Suppliers' commitment to respect human rights and environment, either by signing the Nexans supplier charter or providing an equivalent code of conduct.
- CSR evaluation of suppliers via an external platform such as EcoVadis.
- Identification of the origin and specific treatment of minerals that may come from conflict zones or high-risk areas.

II – Principles regarding the purchasing of minerals

Nexans is committed to enforcing responsible global supply chain management of minerals, recognizing the importance of considering risks from conflict-affected and high-risk areas. To this end, Nexans has developed and implemented a due diligence management system aligned with the 5 steps of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

This due diligence system includes:

- A management system defining the roles and responsibilities of internal management, the role of the purchasing risk CSR committee, management processes with methodology and tools, policies, and evaluation methods to encourage suppliers to improve their social and environmental commitments, and a grievance mechanism at the group level.
- A risk identification and evaluation process by identifying the mines or smelter or refiner.
- An implementation of a strategy to respond to identified risks by defining with the supplier a corrective action plan to mitigate the risk or by suspending trade.
- An independent third party audit of the smelter/refiner's due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas.

- An annual report annually on supply chain due diligence.

III – Methodology for identifying and addressing risks of purchasing minerals that may come from high-risk areas

For minerals such as Tin or Mica, Nexans uses tools and information databases provided by the RMI Responsible Minerals Initiative to ensure its supplies come from audited and compliant sites. A report on these minerals was detailed in the 2023 URD.

Regarding copper supply, Nexans primarily sources copper cathodes and has integrated the Copper Mark framework into its Lens and Montreal plants.

The copper purchased and consumed in these Rodmills is refined copper, either copper cathode or high-grade copper scrap. Today, all copper cathodes are branded, allowing consumers to precisely know the origin of this refined copper cathode (production location of the associated refinery).

Nexans implements a due diligence management system aligned with the 5 steps of the OECD guidelines for responsible supply chains.

A - Governance

A comprehensive CSR risk management procedure related to the purchase of minerals has been implemented, including roles and responsibilities, scope of application, methodology for risk identification and assessment, risk presentation and mitigation measures, and the alert mechanism.

B – Identification and classification of risks

The main principle for Nexans copper purchasing policy is to clearly identify and track its copper value chains to classify them as Low, Medium, or High risk, and bring the necessary diligences to implement mitigation plans if required.

Low risk

Copper cathode brands from Copper Mark labeled refineries and/or LME registered copper cathode brands are considered low net risk as Copper Mark labeling and LME Grade A registration require diligent application of OECD guidelines.

Medium risk

Copper cathode brands from refineries that are not labeled Copper Mark and/or copper cathodes that are not LME registered but do not originate from CAHRAs countries.

High risk

Copper cathode brands from refineries that are not labeled Copper Mark and/or copper cathodes that are not LME registered AND originate from CAHRAs countries.

C – Risk management

The list of CAHRAs countries is regularly updated by Nexans and is based on EU regulation 2017/821.

Furthermore, Nexans has defined internally a list of countries from which it prohibits sourcing.

In the case of medium risk, investigations are conducted to precisely identify the origin of the copper and investigate the supply more deeply to classify in low or high risk.

In the case of high risk, in-depth investigations are conducted to assess the risk, plan external third-party audits if needed, and request a mitigation plan from the supplier or suspend trade relationships.

Nexans policy is to focus on low-risk cathodes, meaning LME cathodes, Copper Mark labeled supplier sites, using the following sources of information:

- Copper Mark Website: Participating Sites - The Copper Mark
- LME Brand registration requirements: Responsible sourcing | London Metal Exchange (lme.com)
- Approved brand list: Approved brands | London Metal Exchange (lme.com)
- CAHRAs countries/regions based on EU regulation 2017/821: CAHRAs (cahraslist.net)

D – Audits

The Lens and Montreal sites were audited by an independent third party as part of the implementation of the Copper Mark label. These audits identified some points for improvement, which led to additional actions.

E – Report on the key events of 2023

Due Diligences are conducted on all purchases of copper cathodes. Over 95% of the supplies come from countries not on the CAHRAs list.

In 2023, the sources used in a country on the CAHRAs list (less than 5%) underwent thorough and documented due diligences.