

HUMAN RIGHT AND DECENT WORKING CONDITION DUE DILIGENCE ACCOUNT FOR NEXANS NORWAY AS, NEXANS SKAGERRAK AS AND NEXANS SUBSEA OPERATIONS

ABSTRACT

This is a report describing Nexans Norway AS, Nexans Skagerrak AS and Nexans Subsea Operations (Nexans Norway 's) practices and risk assessment for fundamental human rights and decent working conditions. It describes what steps Nexans Norway have taken to prevent such violations, both through their own operation, but also for suppliers and business partners engaged in Nexans Norway activities.



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1. ABBREVIATIONS

| Abbreviation | Meaning |
|--------------|---|
| AS | Limited liability company |
| CLV | Cable laying vessel |
| CSR | Corporate Social Responsibility |
| EVP | Executive Vice President |
| HSES | Health, Safety, Environment and Security |
| HR | Human Resources |
| OECD | Organization for Economic Co-operation and Development |
| UNGP | United Nations Guiding Principles |
| QHSE | Quality, Health, Safety and Environment |
| QHSSER | Quality, Health, Safety, Security, Environment and Risk |

2. NEXANS NORWAY

Nexans Norway AS and its wholly owned subsidiaries, Nexans Skagerrak AS, Nexans Subsea Operations AS and Nexans Projects AS (hereinafter "Nexans Norway") are part of the French Nexans Group (hereinafter "Nexans") – one of the world's leading cable manufacturers. Nexans Norway AS is a wholly owned subsidiary of Nexans Participations SA in Paris. Nexans Norway's head office is in Oslo, Norway. Nexans Norway AS is developing, manufacturing and installing subsea and land power and telecommunication cable systems and as well manufacturing heating cables and indoor cables for buildings. Nexans Norway has manufacturing plants located in Rognan, Halden and Langhus. Nexans Skagerrak AS and Nexans Subsea Operations AS are engaged in transport, laying and installation of subsea power cables, and own the cable laying vessels (CLV) Nexans Skagerrak and CLV Nexans Aurora. The three companies Nexans Skagerrak AS, Nexans Subsea Operations AS and Nexans Norway Projects AS have no employees of its own.

The activity of Nexans Norway is organized in the following two Business Groups, Generation and Transmission, and Distribution & Usages Europe Asia Pacific.

Nexans Norway AS, Nexans Skagerrak AS, Nexans Subsea Operations AS and Nexans Norway Projects AS have deployed and implemented all the policies and procedures from the Nexans Group, including policies and procedures regarding human rights, working conditions, supplier due diligence control, reporting and whistleblowing.



Nexans Norway Projects AS was established in 2022 and did not meet the requirements for being a large enterprise in 2022 according to the Transparency Act §3. Hence is not assessed under the due diligence process for 2022 as described in this account.

3. POLICIES/ PROCEDURES, SYSTEMS AND SUPPLIER FOLLOW- UP

As part of Nexans' commitment to Corporate Social Responsibility (CSR), protection against human rights violations and to ensure decent working conditions proactive steps have been taken. Nexans, including Nexans Norway has implemented various policies, procedures and systems that effectively address and act to mitigate potential issues and abuses from occurring. This document outlines key actions, how they have been implemented and how they are being followed up.

3.1 CODE OF ETHICS AND BUSINESS CONDUCT GUIDE

Nexans, including Nexans Norway are committed to respecting human rights as set out in the United Nation's Universal Declaration of Human Rights and international labour standards, and have established Nexans Code of Ethics and Business Conduct Guide to materialize this commitment. The Guide was renewed by the Nexans Group in 2021 and the update was adopted the same year by Nexans Norway. Fundamental Corporate Social Responsibility (CSR) principles is an integrated part of Nexans business environment.

The Executive Vice President (EVP) of Generation and Transmission Business Group, also currently being the CEO in Nexans Norway AS, is part of Nexans Group Executive Committee. All Executive Committee members annually review the compliance program before it is being deployed and Nexans Norway CEO has the overall responsibility for ensuring that the Nexans Code of Ethics and Business Conduct guide is implemented throughout the organisation. In addition, an internal multidiscipline working group (including Compliance, HR, Purchasing and QHSSER) has been set up in Nexans Norway to ensure alignment with the Transparency act.

Due to the critical nature of human right risks, Nexans strengthened its focus, and developed The Nexans Human Rights Charter together with its employee representative bodies. This charter has been incorporated into the Nexans Code of Ethics and Business Conduct. Nexans Human Rights Charter aims to provide Nexans 'policies and actions in terms of respect of human rights. Hereby respect for all human beings, their diversity, dignity and safety, including decent working conditions.

Compliance with the Nexans Code of Ethics and Business Conduct Guide is one of Nexans' underlying commitments in conducting business. Therefore, a risk-based compliance program has been established to follow- up through specific procedures and guidelines.



To promote the distribution of the Human Right Charter and the renewed Nexans Code of Ethics and Business Conduct Code an action plan has been defined and each employee has been encouraged to adopt it. The process is planned for several stages; (i) In 2022, the new edition of the Nexans Code of Ethics and Business Conduct was included in the “Quick Start in Nexans, (ii) the new edition of the Nexans Code of Ethics and Business Conduct was a key pillar of the Compliance Week 2022, focusing on a Human Rights issue, and (iii) the Group will create an interactive course to help each employee better understand the implications of the Nexans Code of Ethics and Business Conduct in their daily lives. Deployment of this interactive course is scheduled for 2023.

Further, the Nexans Code of Ethics and Business Conduct is displayed on various Nexans' intranet sites and relevant news, and updates are relayed via the internal social media tool to all employees.

Adherence to the Nexans Code of Ethics and Business Conduct must be signed by all relevant employees each year.

3.2 WHISTLE BLOWING SYSTEM

Nexans has put in place a company-wide whistle blowing system for the entire Group. The system allows employees, suppliers, clients and all other third parties to anonymously alert when improper behaviour or conduct in violation of Nexans Code of Ethics and Business Conduct occurs or allegedly occurs.

To access the whistle blower system and submit a complaint, Nexans has established secure online access to a whistleblowing site where employees and third parties can submit complaints. This site is administered by an independent service provider. The service is available 24 hours a day, 7 days per week. To ensure confidentiality, the site is not a part of Nexans company website. A telephone hotline is also accessible, where the reporter of the alert can speak directly with a live representative. Once the reporter submits a case via the online site or by phone, they will receive a ticket link and password to follow the status of the case through a message stream.

Nexans promptly investigates all alleged violations of the Nexans Code of Ethics and Business Conduct and ensures swift and appropriate measures when applicable, including training where necessary. Nexans prohibits retaliation to anyone in good faith who has reported or filed a complaint.

In 2022, communication was improved on how to use the whistle blowing procedure, which more than doubled the number of reports received. During the 2nd half of 2022, several forms of communications including training were made to the employees to inform them of the existence of the whistle blowing system and the digital reporting tool. The alert system has been advertised during the annual Compliance Week, in internal podcasts, and routinely mentioned through intranet communications and training messages.



3.3 SUPPLIER FOLLOW- UP

All vendors are being evaluated according to the Nexans Norway qualification process, which is based upon Nexans Group's qualification process. CSR performance is one of the criteria used to award business to suppliers. Each supplier gets a CSR risk rating between 1 and 6, where the criticality is rated depending on the criticality of goods/services and risk of country. This mapping is done using the methodology designed by EcoVadis, an expert in assessing sustainable supply chain practices. Pending risk rate, Nexans Norway will clarify due diligence regimes for each supplier. In addition, a CSR Duty of Care plan for suppliers and yearly CSR roadmap with targets are created by the Group. Particular attention is given to suppliers with which Nexans Norway does significant business or which have been assigned a CSR risk rating of 5 or 6. All vendors need to confirm they have understood Nexans expectation and commit to follow. Some vendors will be selected to be assessed by a third-party independent expert, internationally recognized (such as EcoVadis) and some critical vendors will be audited by the projects who will use or utilize them. Audit reports, findings and lessons learned are shared within Nexans organization. Audit findings are logged and followed up according to agreed mitigation action in quality management system of organization named 'Synergi'. All suppliers are being informed about Nexans' human rights expectations and decent working conditions. During execution, Nexans Norway representatives will monitor situation and if any deviation is discovered, these will be registered and handled.

Following the above, the supplier CSR performance is based on the supplier's CSR scorecard (certificate), issued by an independent CSR expert, internationally recognized (such as EcoVadis) as well as CSR audits on site, if any. Nexans Norway suppliers are encouraged to get their CSR performance assessed, certified by a CSR scorecard, and up-dated regularly. Nexans Norway reserves the status of preferred supplier to suppliers with a good CSR performance (among other strengths) and supports suppliers who improve their CSR performances in a continuous and sustainable way. Nexans Norway reserves the right to delist a supplier who would not respect the CSR principles. Nexans Norway suppliers shall commit to the CSR principles described in the supplier CSR charter, for all their activities and sites, and ensure that their own suppliers adhere to similar principles. Nexans Norway suppliers shall implement a continuous improvement CSR action plan. Areas for improvement are also highlighted in the supplier CSR scorecard.

In 2022, Nexans focused on having suppliers sign Nexans Supplier CSR Charter and supporting suppliers to improve their CSR performance. In addition, audits of some high-risk suppliers were performed.



4. NEXANS NORWAY DUE DILIGENCE RISK ASSESSMENT PROCESS

Nexans Norway due diligence process regarding fundamental human rights and decent working conditions is an ongoing business risk management process performed in accordance with the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the principles in the United Nations guiding principles (UNGPs). Nexans Norway seeks to make responsible, identify, assess, prevent, track, communicate and mitigate human rights or work condition risks across the whole of Nexans Norway. The process can be illustrated as follows:

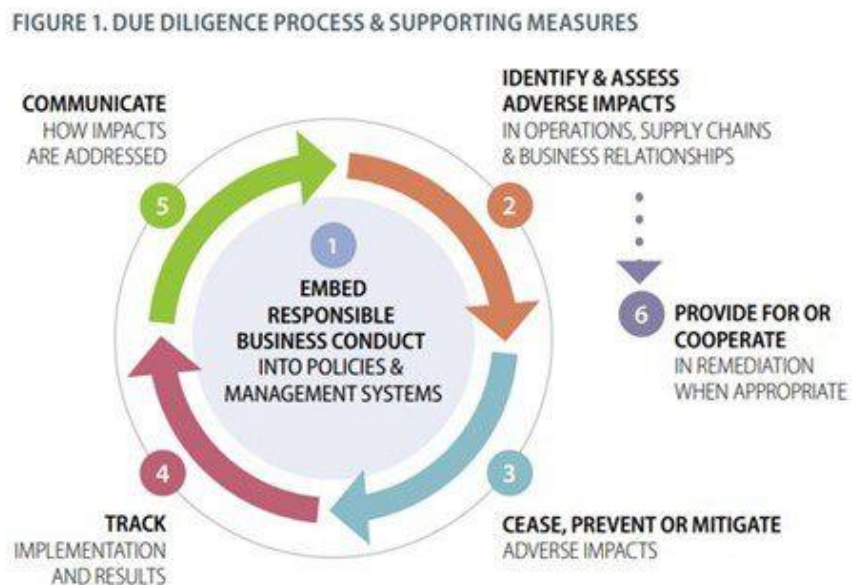


Figure 1 OECD guidelines for risk management

The following CSR areas are covered in the process (reference is made to appendix 1, Nexans Code of Ethics and Business Conduct):

- Labour standards and human rights
 - legal employment, no slavery, forced or bonded labour
 - child labour or young workers
 - fair remuneration
 - training and development
- Work conditions
 - work life balance



- safe and secure working conditions
- no harassment
- safe working environment and secure occupational safety and health
- Equal opportunities
 - equal opportunities
 - no discrimination, no harassment, and diversity
- Local communities
 - social and economic development for local communities
- Data privacy
 - protect personal data
- Freedom of association and right to collective bargaining

4.1 RISK ASSESSMENT MATRIX

| | | Probability | | | | | |
|----------|--|--|-----------------------|------------------------|---------------------------|-----------------------------|----|
| | | 1. Improbable | 2. Not very probable | 3. Probable | 4. Very probable | 5. Highly probable | |
| | Human rights and decent work conditions | Never heard of in industry. | Heard of in industry. | Has occurred in Nexans | Likely to occur in Nexans | Occurs frequently in Nexans | |
| Severity | 5. Critical | Critical injury or health effect resulting in one or several fatalities Critical impact on all stakeholders/groups (i.e. local communities, suppliers, employees) Impossible to restore or will take longer than 5 years to restore impact | 5 | 10 | 15 | 20 | 25 |
| | 4. Serious | Serious injury or health effect resulting in permanent disability and/or inability to return to work Impact to majority of stakeholders/groups Take 4-5 years to restore impact | 4 | 8 | 12 | 16 | 20 |
| | 3. Major | Major injury or health effect resulting in short term absence or restricted work Impact to most of stakeholders in particular stakeholder groups Takes 2-3 years to restore impact | 3 | 6 | 9 | 12 | 15 |
| | 2. Moderate | Moderate health effect or small injury requiring medical treatment Impacts some stakeholders in particular stakeholder groups Takes 1-2 years to restore impact | 2 | 4 | 6 | 8 | 10 |
| | 1. Minor | Minor health effect or injury requiring first aid No negative impact to stakeholders Takes less than 1 year to restore impact | 1 | 2 | 3 | 4 | 5 |



Figure 2 Nexans Norway risk matrix

Nexans Norway human rights risk assessment criteria have been developed based on the UNGP guidance for assessment of severity: Severity should be considered based on 3 characteristics: scale, scope and remediability. This has been incorporated into the Nexans Norway risk matrix as described in figure 2 above.



5. HUMAN RIGHTS AND WORKING CONDITIONS RISKS AND MITIGATION MEASURES

Nexans Norway has of date of this report performed an overall risk mapping related to own operations and i supplier/business partner chain, in line with section 4, based upon the information available. There were no reported instances of human rights violations or breaches of decent working conditions in 2022.

The main risks related to Nexans Norway AS' own employees and operations identified are related to labour standards / human rights and work conditions, hereunder related to training, work hours and safe working conditions. None of these risks qualify as severe risks, and risk preventative measures are constantly deployed and monitored to avoid their occurrence and minimize their impacts.

The risks identified as the highest for Nexans Norway AS, was for labour standards / human rights and work conditions in the supply chain (suppliers/subcontractors/business partners), particularly related to raw materials. Hence, a further risk mapping on an overall level was done for each supplier and business partners based on criticality factors used in Nexans Norway for suppliers. These criticality factors have been identified based upon risk of country, risk of product / service and threshold for spend amount. Example of main potential high risks for critical suppliers was typically related to, and not limited to, poor health and safety procedures, child labour, denial of right to form or join all types of associations/unions, insufficient wages, not placing reasonable limits of working hours, etc. While Nexans Norway have procurement controls in place, there is a risk that it could miss subcontractors' violations, or that it is not able to detect issues the next tier down.

For Nexans Skagerrak AS and Nexans Subsea Operations AS (Nexans Norway subsidiaries ref. section 2), which do not have own employees, the main risks identified were for labour standards/human rights and work conditions in the supply chain which mainly is crew management and the risk are primarily with regards to legal employment, fair remuneration, control of work hours, and safe working conditions.

In the following section, an overview of the highest rated category risks, their mitigation and 2022 actions are given. Planned actions and improvements going forward are also listed. For Nexans Norway AS the below overview is relevant for all items. For Nexans Skagerrak AS and Nexans Subsea Operation AS the overview is relevant except for the item related to "violations of labour standards and human rights within Nexans".



| Description of the risk | Policies/programs/systems/ others to prevent risk or limit its impact (mitigation) | 2022 actions |
|--|--|---|
| Violations of labour standards and human rights within Nexans | <ul style="list-style-type: none"> ▪ Nexans' human rights policy / Nexans Code of Ethics and Business Conduct ▪ Specific governance structure in Nexans Norway dedicated to human rights, made up of a multi-disciplinary team ▪ Whistle blowing procedure ▪ Health and safety policy outlining safe working procedures ▪ Staff manual describing certain employment legislation, specifying acceptable and regular working hours and procedures ▪ Harassment policy ▪ Use of Wintid (time tracking system) ▪ Regular management and HR reviews of employee's hours of work and follow up with managers and employees when overtime exceeds regular levels ▪ Nexans is part of and follows collective agreements at central and local levels ▪ Employees have unrestricted right to join a union ▪ Regular discussions and sharing of information with unions to identify measures to discuss working conditions and processes ▪ Diversity & Inclusion policy and actions regularly reviewed and implemented | <ul style="list-style-type: none"> ▪ Integration of the new Nexans Code of Ethics and Business Conduct (including Nexans' Human Rights Policy) in the human rights training made during the Compliance Week ▪ Improved communication about whistle blowing tool and system resulting in substantial increased number of alerts ▪ Internal audits performed |
| Violations of labour standards and human rights by Nexans' suppliers, subcontractors | <ul style="list-style-type: none"> ▪ All vendors are being evaluated and followed up according to the Nexans Norway qualification process ▪ Nexans Norway Audit plan ▪ Nexans' duty of care plan towards suppliers, subcontractors and business partners ▪ Nexans' CSR Charter signed by suppliers, subcontractors and business partners | <ul style="list-style-type: none"> ▪ Onsite supplier /subcontractor/ business partner CSR audit ▪ CSR continuous improvement plan for those with a low score ▪ Information provided in CSR charter about whistle blowing tool and system |



| | | |
|--|--|---|
| <p>and business partners</p> | <ul style="list-style-type: none"> ▪ Potential delisting of non-compliant supplier/subcontractor/ business partner ▪ Training of Purchasers on how to help suppliers improve their CSR performance ▪ Whistle blowing procedure ▪ Health and Safety requirements presented to suppliers and sub- suppliers prior to work starting ▪ Nexans' conflict minerals plan ▪ General management procedure for Purchasers to assess a suppliers' global risk ▪ Supplier's CSR tracker (including Scorecard, Charter, audits) | <ul style="list-style-type: none"> ▪ 1.digital/physical supplier day organized by Nexans, presenting CSR expectations from suppliers and "round table" on sustainability and best practice ▪ Campaign to increase awareness of and numbers of signed CSR charters ▪ Selection of CSR compliant suppliers and subcontractors ▪ As of 2022, no new suppliers can be created if the CSR Charter is not signed (unless express derogation granted) |
| <p>Unsafe working conditions within Nexans</p> | <ul style="list-style-type: none"> ▪ Safety standards: 15 Safety Golden Rules and Life Saving Rules ▪ Job Safety Analysis (JSA); Take 5, Safe and Un-Safe Act (SUSA), HSES Moments ▪ Alert Management System and Synergi ▪ Monthly QHSE reports ▪ Group Safety Committee Work environment assessment ▪ Working Environment Committees at each Nexans Norway locations ▪ Whistleblowing procedure ▪ Health and Safety Policy, HSES plans ▪ Safe working procedures ▪ Nexans Norway training portal and Performance management system (" My road") ▪ Safety training available in "My Learning" for all employees ▪ Site induction for all Nexans Norway sites ▪ Access control procedure (safe working procedure for the various sites) ▪ Security management procedures /systems ▪ Behaviour based Safety (BBS) | <ul style="list-style-type: none"> ▪ Ergonomics campaign/ Safety Day launched in all locations ▪ Launch of "Handling and parking of drums" safety standard, and implementation assessment ▪ Group Safety Audits ▪ Safety Golden Rules revision, assessment and follow- up ▪ Electrical Safety Assessment and follow- up ▪ Safety recognition- Monthly ▪ Training and follow- up of SUSA reporting ▪ Life Saving Rules /Golden Safety Rules implemented in Synergi ▪ Improvement of Synergi tool related to HSES ▪ Dupont Safety Culture Program implementation start- up for fabrication sites ▪ Group annual safety foundation assessment and action follow- up |



| | | |
|---|---|---|
| | <ul style="list-style-type: none"> ▪ Appointed safety representatives in all areas appointed by the employees' organisations for all sites and projects. Full time senior safety representatives for the larger plants ▪ Dupont Safety Culture Program ▪ Management and HSES site inspections, safety walks and audits | <ul style="list-style-type: none"> ▪ Standardisation of routines and use of Synergi for HSES inspections and Management Safety walks, training performed ▪ Review and improvement of Emergency Preparedness for Nexans Norway ▪ Stand Down for Safety held throughout Nexans Norway locations |
| <p>Unsafe working conditions by Nexans' suppliers, subcontractors and business partners</p> | <ul style="list-style-type: none"> ▪ All vendors are being evaluated and followed up according to the Nexans Norway qualification process ▪ Safety standards applicable and presented to supplier, hereunder Life Saving Rules ▪ Whistleblowing procedure ▪ Supplier requirement for Health and Safety Policy and HSES plan ▪ Nexans' duty of care plan towards suppliers, subcontractors and business partners ▪ Nexans' CSR Charter signed by suppliers, subcontractors and business partners ▪ Nexans Norway Audit plan | <ul style="list-style-type: none"> ▪ Onsite supplier /subcontractor/ business partner site visits, inspections and audits ▪ CSR continuous improvement plan for those with a low CSR score ▪ Information provided in CSR charter about whistle blowing tool and system ▪ 1.digital/physical supplier day organized by Group, presenting CSR expectations from suppliers and "round table" on sustainability and best practice ▪ Campaign to increase awareness of and numbers of signed CSR charters ▪ Selection of CSR compliant suppliers and subcontractors ▪ As of 2022, no new suppliers can be created if the CSR Charter is not signed (unless express derogation granted) ▪ Presentations of supplier requirements in Kick Off Meetings /start -up of work/ Pre- production meetings etc. |



5.1 STATUS, ACTIONS AND IMPROVEMENTS GOING FORWARD

There were no reported instances of human rights violations or breaches of decent working conditions in 2022. However, Nexans Norway acknowledges that there could be a risk that breaches are not discovered or reported, specifically due to a large number of suppliers and sub-suppliers. Nexans Norway therefore works on a preventative strategy to protect against human rights violations and to ensure decent working conditions, with various policies, procedures and systems that effectively address and act to mitigate potential issues and abuses from occurring. It is difficult to measure the effect of currently applied mitigation as such, but going forward, Nexans Norway will further assess the effect of the actions implemented and constantly consider and adjust actions to be taken. This is a part of the continuous business risk-based approach to the subject. Increased focus on supplier due-diligence and knowledge of the supplier database will assist Nexans Norway in assessing, preventing and discovering breaches, and this work will be continued in 2023 and further.

Within procurement and supplier quality organisation, several actions and improvements are planned. This is amongst others the following:

- Update CSR assessment questionnaire implemented as part of qualification process of suppliers
- Update administration requirements (appendix to supplier contracts) to bold Nexans Norway expectations from suppliers
- Short list important suppliers/sub-contractors
- Update annual audit plan with especial attention to CSR
- Perform verification audits of human right and working conditions of important suppliers
- Review CSR assessment evidence for selected important suppliers
- Review and update Country and Family risks as required, minimum annually

APPENDIX 1: NEXANS CODE OF ETHICS AND BUSINESS CONDUCT (GMP1)

<https://www.nexans.com/en/dam/jcr:73551fc0-00cc-46e4-80da-017dcbe3fd95/2022-nexans-code-of-ethics-and-business-conduct.pdf>



The board of directors of Nexans Norway AS

X DocuSigned by:
Vincent Guy Roger Dessale
Vincent Guy Roger Dessale
(Chair)

X DocuSigned by:
Ragnhild Katteland
Ragnhild Apeland Katteland
Board member and CEO

X DocuSigned by:
Anders Krister Granlie
Anders Krister Granlie

X DocuSigned by:
Hans Petter Anker Bærem
Hans Petter Anker Bærem

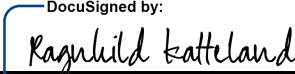
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Stian Volden
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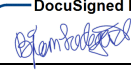
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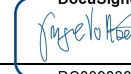


The board of directors of Nexans Subsea Operations AS

X 
Ragnhild Apeland Katteland
Chair


X 
Jacobus Johannes Bregman
Board member and CEO

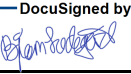
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Bjørn Ivar Elmenhorst Ladegård

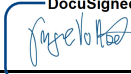
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Yngve Vollset

The board of directors of Nexans Skagerrak AS

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Ragnhild Apeland Katteland
Chair

X 
Jacobus Johannes Bregman
Board member and CEO

X 
Bjørn Ivar Elmenhorst Ladegård

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Yngve Vollset