



REPORT ON MODERN SLAVERY

This report, made on behalf of EXFO Inc. ("EXFO"), constitutes our declarations and achievements with respect to combatting modern slavery and trafficking in persons for the fiscal year ending August 31, 2024 (the "Fiscal Year 2024"), in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") and as approved by EXFO's Board of Directors.

This report illustrates our commitment to ensuring that all our activities are conducted in accordance with ethical, professional and legal standards, and to challenging and combating the use of compulsory, trafficked, forced or child labor within our organizations and supply chains. EXFO has a zero-tolerance approach to modern slavery and trafficking in persons within its operations and supply chains, and is committed to acting ethically and in accordance with its legal obligations.

1. STRUCTURE, BUSINESS AND SUPPLY CHAIN

EXFO, a Canadian corporation duly incorporated under the Canada Business Corporations Act under number 1330375-6, is the headquarters of the international EXFO group, which consists of EXFO and its subsidiaries.

EXFO develops smarter test, monitoring and analytics solutions for the global communications industry. Our customers rely on our unique equipment, software and services to accelerate the digital transformation associated with the deployment of fiber optics, 4G/LTE and 5G networks.

Our manufacturing plants are located in the following countries:

- Quebec, Canada;
- Shenzhen, China;
- Lannion, France;
- Rennes, France;
- Queretaro, Mexico;
- Oulu, Finland.

Depending on the commodities required to manufacture our products, components are sourced from suppliers around the world. Our supply chain is made up of two categories: (1) custom components, which we buy directly from manufacturers; and (2) ready-to-use components, which we buy largely through distributors. Buying components through distributors does not prevent EXFO from tracing the country of origin to meet customs requirements. In addition, for components with EXFO specifications, supplier qualification audits are carried out on site in order to (1) observe manufacturing operations; and (2) carry out an evaluation based on the criteria mentioned below.

Supplier selection and evaluation are based on the following factors:

- Quality;
- Price;
- Delivery times;
- Quality of customer service;
- Quality of communication;
- Environmental, social and governance (ESG) factors.

The types of components purchased can be divided into the following categories, which are ranked in descending order of importance by purchase value for Fiscal Year 2024:

- Optics;
- Electronic components;
- Machining, sheet metal and plastic injection;
- IT;
- OEM finished products;
- Battery and power source management;
- Packaging products and accessories.



2. RISK ASSESSMENT AND DUE DILIGENCE

EXFO expects its suppliers and distributors not to tolerate any form of exploitation in any part of their supply chain and operations. Our purchasing department evaluates and verifies our partners' compliance with our efforts to prevent modern slavery in our industry. Before doing business with EXFO, all our distributors, sub-distributors and suppliers must fill out forms that require, among other things, compliance with our Agent Code of Conduct¹ or any other policy of equivalent or higher standards. Without this commitment, EXFO will not enter into a business relationship with that distributor, sub-distributor or supplier.

EXFO has conducted a risk analysis of its supply chain. For Fiscal Year 2024, EXFO analyzed the risk related to the country of origin of components from its Tier 1 suppliers. Thus, 80% of our purchases were analyzed according to country of origin, and the results were compared with the global slavery index for 2024 published by the Minderoo Foundation's Walk Free initiative². The risk index is an estimate of the prevalence of modern slavery and the number of people who are victims of modern slavery, an analysis of the factors that make communities vulnerable, and an assessment of government responses to modern slavery³. In this analysis³, the top 10 countries with the highest prevalence in 2024 are:

COUNTRY	RESOURCES	PREV	VULN	GOV RESP
North Korea	4	104.6	67	-3
Eritrea	3	90.3	66	5
Mauritania	3	32.0	66	35
Saudi Arabia	7	21.3	53	49
Türkiye	7	15.6	51	49
Tajikistan	3	14.0	67	36
United Arab Emirates	4	13.4	40	50
Afghanistan	3	13.0	86	-
Kuwait	6	13.0	39	37
Russia	8	13.0	60	24

The results show that 80% of the value of our purchases is in the following countries, ranked from most to least risky:

Country	Risk index ⁴
Malaysia	6.3
China	4.0
United States	3.3
Canada	1.8

¹ [Agent Code of Conduct - EXFO.com](#)

² <https://www.walkfree.org/global-slavery-index/map/#mode=DATA:dimension=p>

³ <https://www.walkfree.org/global-slavery-index/map/#mode=data>

⁴ The higher the number, the higher the risk of the prevalence of modern slavery and the number of people who are victims of modern slavery.



Taiwan	1.7
Japan	1.1

Based on the analysis of its data, and considering the countries of origin of the majority of our components, we consider that the risks related to modern slavery in our supply chain are low. However, without limiting itself to current efforts and methods, EXFO is considering implementing data collection and analysis tools to better monitor the state of its supply chain.

3. POLICIES⁵

EXFO is committed to conducting its business in a socially responsible manner by respecting fundamental social principles, reducing the environmental impact of its economic activities, and applying strong ethical rules to its relationships with both employees and partners. That's why EXFO's management and operations are guided by *ISO 26000 - Guidelines for Corporate Social Responsibility*, and by *the principles of the United Nations Global Compact*. EXFO chooses business partners who share its values and principles in terms of corporate governance, ethics, social responsibility, environmental protection and occupational health and safety. This practice is integrated into our supply chain management and reflected in our procurement policies, requirements and principles.

For example, we have implemented various policies to combat modern slavery within our supply chains and organization:

3.1 Modern Slavery Policy and Combatting Trafficking in Persons, and its compliance plan

This policy illustrates our commitment to challenging and confronting the use of compulsory labor, human trafficking, forced labor or child labor within our organization and supply chain. It helps EXFO comply with its obligations under the various laws on modern slavery.

3.2 Policy Regarding Conflict Minerals

Through its Policy Regarding Conflict Minerals, EXFO is committed to sourcing from environmentally and socially responsible suppliers. It is our policy not to purchase minerals from known sources of conflict, and we expect our suppliers to meet the same standard. To meet the challenge of mineral traceability, EXFO has adopted the Electronic Industry Citizenship Coalition's (EICC) standard conflict minerals reporting format and asks its suppliers to use the same format to report on the status of their supply chain.

3.3 Agent code of conduct

Our Agent Code of Conduct reflects our commitment to a culture of honesty, integrity and accountability, acting ethically and complying with applicable laws and regulations, including the various laws on modern slavery, of the countries in which EXFO does business or in which business is conducted on EXFO's behalf. Our suppliers, service providers, consultants, distributors and representatives, as well as any other business partners, are required to comply with our Agent Code of Conduct.

3.4 ISO 26000 - Guidelines on social responsibility

EXFO's management and activities are guided by the ISO 26000 standard, which provides companies worldwide with a framework for acting ethically and transparently, and contributing to the health and well-being of society. Although the ISO 26000 standard does not provide specific certification, it nevertheless offers companies recommendations for improving their corporate social responsibility.

4. RECRUITMENT

Our transparent recruitment practices are reviewed regularly. We communicate directly with candidates to discuss employment opportunities and to confirm details of any offers made. We have procedures in place for vetting new employees, confirming their identity and, where possible, paying directly into an appropriate

⁵ The policies set out in this section can all be found in the "Documents" section at the following address:
<https://www.exfo.com/en/corporate/ethics-governance/>



personal bank account. Recruiters are required to adhere to the recruitment practices set out in our Policy on Modern Slavery and Combatting Trafficking in Persons (the "Policy"), as well as our Combating Trafficking in Persons Compliance Plan, both of which apply to EXFO.

5. AWARENESS-RAISING AND TRAINING

All EXFO employees have been informed of the Policy, including prohibited behaviors, consequences of violations and mechanisms for reporting suspected violations, through its publication on our intranet and website. Each new EXFO employee is informed of the Policy through mandatory training provided upon arrival, during which the employee must read the Policy and confirm compliance by signing it. In Fiscal Year 2024, EXFO launched a training campaign on modern slavery and trafficking in persons. The campaign aimed to raise employees' awareness of the concepts of modern slavery and trafficking in persons, as well as to illustrate the different forms these can take. The campaign was rolled out to all employees in the Human Resources, Finance and Purchasing departments in Canada, as well as to all employees in the United States and the United Kingdom. A total of 85.5% of employees assigned to the campaign successfully completed it.

6. ACHIEVEMENTS AND OBJECTIVES

Our efforts to confront and combat modern slavery are ongoing, evolving and improving all the time. For example, our purchasing department is currently reviewing its processes to improve risk assessment, due diligence and the supplier monitoring process.

In Fiscal Year 2024, EXFO surveyed its Tier 1 suppliers, representing 80% by purchase value, on their policies and controls in place regarding modern slavery and human trafficking. The response rate to this survey was 76%, and the answers provided by our suppliers were deemed satisfactory by EXFO. However, in the absence of satisfactory responses, the possibility of disqualifying the supplier would have been considered.

7. CERTIFICATION OF SIGNATORY AND SIGNATURE

In accordance with the requirements of the Act, and in particular section 11 thereof, I certify that I have reviewed the information contained in this report for the entity mentioned above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the abovementioned reporting year. I have the authority to bind EXFO Inc.

Germain Lamonde
Founder and Executive Chairman of the Board of
Directors
Date: May 30, 2025