

LAYING SOLID GROUNDWORK

2024-2025 SUSTAINABILITY REPORT

EXFO

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ABOUT THIS REPORT

This report is inspired by the EcoVadis assessment framework, which serves as the lens through which we view and structure our sustainability efforts. Grounded in internationally recognized environmental, social and governance (ESG) reporting standards—including the Global Reporting Initiative (GRI), UN sustainable development goals, and ISO 26000—EcoVadis provides a robust foundation for evaluating and improving our sustainability practices.

By adopting this format, we highlight the values-driven thinking behind our sustainability strategy, the organizational maturity gained since our last report and our commitment to building solid groundwork for long-term sustainability.

Unless otherwise specified, this two-year report covers fiscal years (FY) 2024 and 2025, spanning from September 2023 to August 2025.

WORD FROM OUR FOUNDER AND CEO



Germain Lamonde
Founder, CEO and Executive Chairman

As EXFO celebrates 40 years of innovation, we're entering a new phase—one defined by greater accountability and deeper integration of sustainability into our operations. From responsible sourcing and energy efficiency to improved people data and stronger ethics reporting, we're laying the foundation for lasting momentum and long-term sustainability. We are inspired by the progress we've made, and we aspire to inspire others—through the choices we make, the transparency we show, and the impact we strive to create.

While this report covers fiscal years 2024 and 2025, EXFO has undergone significant transformation since the end of FY25 in August. In October, we sold our Adaptive Service Assurance division and parted ways with colleagues at our offices in Rennes, France; Valencia, Spain; and Hadapsar, India. The divestiture makes EXFO more focused on our core Test and Measurement business, positioning us for the future.

This report highlights our progress towards greater sustainability, strategic shifts, and the values guiding our decisions. We've adopted EcoVadis as our main framework and invite you to request our assessment results for more details. Our approach is deliberate: fewer initiatives, greater impact—focused on what drives durable, long-term value for EXFO and its stakeholders.

We also aim to simplify disclosure of key metrics and indicators, supporting transparency and compliance, and showing how far we've come since our last report.

As we celebrate four decades of innovation, we recognize the milestones, the talent, and the people who remain central to EXFO's future—and to the resilience and continuity of our mission.

EXFO AT A GLANCE

EXFO develops smarter test, measurement and monitoring solutions for the global communications industry. We are trusted advisors to fixed and mobile network operators, hyperscalers and leaders in the manufacturing, development and research sectors. They count on us to deliver superior visibility and insights into network performance and service reliability. Building on over 40 years of innovation, EXFO boasts a unique blend of equipment, software and services driving faster, safer transformations in 5G, cloud-native and fiber optic networks.

Our purpose is to ensure the connected world meets the highest expectations to bring together people, communities and businesses.

EXFO's global footprint extends from its headquarters in Québec City, Canada, to 11 production and engineering sites, as well as numerous distributors and EXFO certified customer support centers around the world.

1,400 EMPLOYEES AND CUSTOMERS IN 120 COUNTRIES*



*As of December 31, 2025.

SUSTAINABILITY HIGHLIGHTS

- 

ADOPTION OF ECOVADIS AS OUR PRIMARY SUSTAINABILITY FRAMEWORK
- 

NEW SUSTAINABLE PROCUREMENT POLICY
- 

MOBILIZATION OF REGIONAL ESG COMMITTEES
- 

STRENGTHENED ETHICS REPORTING FRAMEWORK
- 

2 PRODUCTS ASSESSED THROUGH ENTIRE PRODUCT LIFECYCLE
- 

WASTE MANAGEMENT DATA FOR ALL OUR OPERATIONAL SITES
- 

INCREASE IN RENEWABLE ENERGY CONSUMPTION SINCE FY22

REFLECTING ON OUR SUSTAINABILITY JOURNEY

Over the past three years, EXFO has continued to structure and mature its sustainability program. Supported by regional ESG committees and cross-functional collaboration, our efforts have become more consistent and embedded across operations. These teams contribute local insight, help identify risks and opportunities, and guide the implementation of initiatives that support our environmental, social and governance priorities.

Our progress reflects a shift toward stronger data practices, clearer roles and responsibilities, and more coordinated action across global sites. Regional committees ensure that local realities are considered, while cross-functional work has strengthened data collection and supported projects related to environmental performance, social responsibility and responsible business conduct.

As we move forward, collaboration remains central to our approach. We will continue integrating sustainability considerations into daily operations, reinforcing accountability and maintaining focus on the areas that matter most to our stakeholders and to the sustainability of our business.

Steeve Potvin
Director Value Management and ESG Lead

CELEBRATING 40 YEARS OF INNOVATION



EXFO was founded in 1985 with the goal of advancing fiber-optic testing technologies. Over the past four decades, the company has expanded its expertise across test, measurement, and monitoring solutions, supporting customers as networks have evolved. This history reflects a sustained focus on technical excellence, product reliability, and close collaboration with industry partners.

A TRACK RECORD OF TECHNOLOGICAL PROGRESS

Throughout its evolution, EXFO has contributed to improvements in network performance, efficiency and resilience by developing solutions adapted to emerging industry needs. From early optical test instruments to today's comprehensive portfolio, the company's progress has been shaped by continuous research, iterative product development and the ability to adapt to technology shifts.

LOOKING AHEAD

As the industry moves toward next-gen optical technologies—such as hollow-core and multi-core fibers—and more automated, data-driven network operations, EXFO is focused on supporting these transitions with testing and monitoring solutions. Areas such as AI-enabled automation, high-speed and high-fiber-count testing, and solutions designed for data center environments represent ongoing priorities for future development.



Québec City, Canada



Québec City, Canada



Chandler's Ford, UK



Québec City, Canada



Québec City, Canada

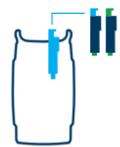


Querétaro, Mexico

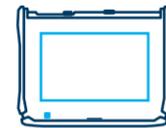
INNOVATING TO DRIVE CUSTOMERS' ENVIRONMENTAL PERFORMANCE



Our products and solutions are designed not only to meet market needs but to empower customers to significantly elevate their own environmental performance. From reducing energy consumption and material waste to enabling more precise, efficient network operations, our solutions help customers tackle some of their most pressing sustainability challenges.



Devices with swappable optical connectors that keep units in the field longer and reduce transportation for maintenance.



Multi-use instruments with swappable modules and Click-out connectors, enabling a wide range of tests with fewer testing platforms.



Solutions allowing data centers to verify transceiver functionality, reducing electronic waste.



Photonic integrated circuit (PIC) testing solutions that reduce chip waste, supporting more efficient and sustainable manufacturing processes.



Long-lasting batteries that reduce replacement frequency and resource consumption.



Remote testing capabilities, which help prevent activation-stage failures and reduce travel for repair teams.

RESPONSIBLE USE OF AI

EXFO uses AI to improve efficiency and support data-driven decision-making across internal processes and customer-facing solutions. We prioritize an approach rooted in responsible adoption, data security and operational relevance.

Key practices include:

- Using lightweight, energy-efficient AI models when appropriate, consistent with digital-sobriety principles.
- Favoring pretrained generative AI models to avoid the environmental impact of large-scale proprietary model training.
- Applying a framework for ethical and secure AI use, including a generative-AI policy and structured data-usage processes.
- Ensuring that AI adoption aligns with transparency, fairness and privacy expectations.

Together, these practices ensure that EXFO leverages AI in a way that delivers meaningful value while upholding its commitments to responsibility, security and sustainability.

Gabriel Duford
Chief Technology Officer

2026-2028 PRIORITIES



ENVIRONMENT



CLIMATE CHANGE AND
ENERGY TRANSITION



SUSTAINABLE
VALUE CHAIN



SOCIAL



MENTAL HEALTH,
WELLBEING AND INCLUSION



UPSKILLING AND
RESKILLING



GOVERNANCE



INFORMATION SECURITY,
DATA PRIVACY AND
PRODUCT SECURITY



ETHICS AND
SUSTAINABILITY
GOVERNANCE





ENVIRONMENT



Our Québec City employees building a mini urban forest in what was formerly an EXFO parking lot. In total over 100 trees and shrubs were planted in 2025.

CLIMATE CHANGE AND ENERGY TRANSITION

Reducing emissions and moving to renewable energy remain core pillars of EXFO's environmental strategy. Over the past two years, we advanced our understanding of our carbon footprint and took concrete steps to reduce electricity emissions while improving reporting accuracy. As a result, EXFO's Scope 1 and 2 carbon intensity decreased from 1.94 tons per employee in FY22 to 0.754 tons per employee in FY25, reflecting our targeted decarbonization actions.

SCOPE 1 AND 2 EMISSIONS

EXFO monitors greenhouse gas emissions in line with the GHG Protocol, using both market-based and location-based methods for Scope 2. In FY25:

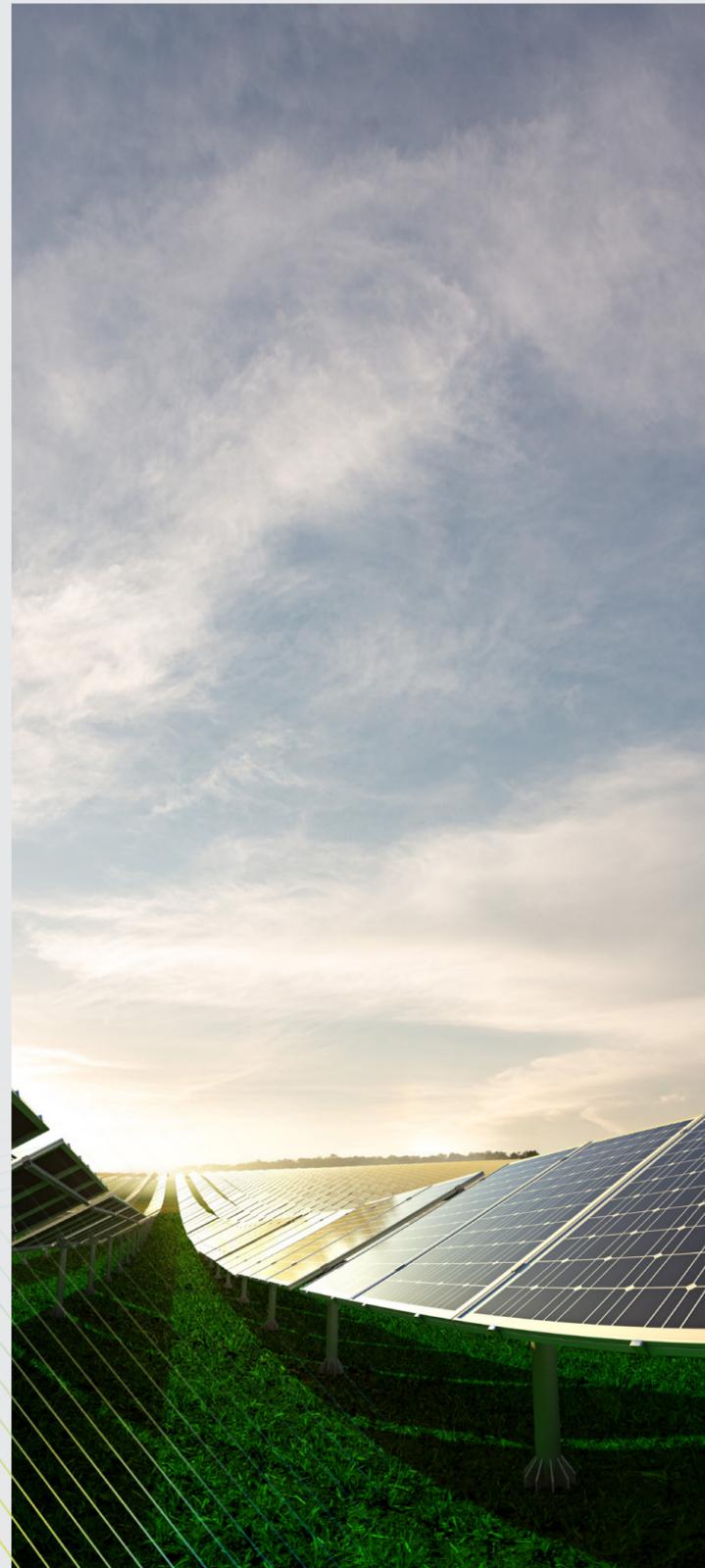
- Market-based Scope 2 emissions decreased significantly compared to FY22 due to the purchase of renewable electricity certificates for key sites, including Shenzhen and Querétaro. Market-based calculations reflect the energy sources we choose to procure.
- Scope 1 emissions increased compared to FY22, driven primarily by refrigerant leaks identified at our Montreal and Lannion sites in 2025. Given the high global-warming potential of refrigerants, we reviewed maintenance practices and planned equipment upgrades to reduce future leakage risk.

- Location-based Scope 2 emissions increased slightly compared to FY22, reflecting the grid mix in the regions where we operate. Location-based figures represent emissions from the local electricity grid regardless of procurement choices.

This combination of factors explains why trends differ between Scope 1 and Scope 2, as well as between market-based and location-based calculations. Presenting both methods ensures transparent reporting of EXFO's operational impact and procurement decisions.

SCOPE 3 EMISSIONS

For the first time, EXFO completed a full Scope 3 assessment across all 15 categories using the EcoVadis Carbon Calculator. Combined with lifecycle analyses of two flagship products, these insights help identify the most material contributors—particularly raw materials and distribution—allowing us to prioritize improvement opportunities in future product design and logistics planning.



LOOKING AHEAD (2026–2028)

Over the next cycle, EXFO will:

- Set internal emissions-reduction objectives for Scope 1 and Scope 2
- Refine Scope 3 calculations in high-impact categories
- Continue expanding renewable-energy procurement where feasible
- Reduce emissions from refrigerants through updated practices and equipment improvements

These steps will strengthen visibility into our footprint and guide actions that support long-term climate resilience.

Scope 1 GHG Emissions – tCO₂eq



Scope 2 GHG Emissions (Market based) – tCO₂eq



Scope 2 GHG Emissions (Location based) – tCO₂eq



SPOTLIGHT

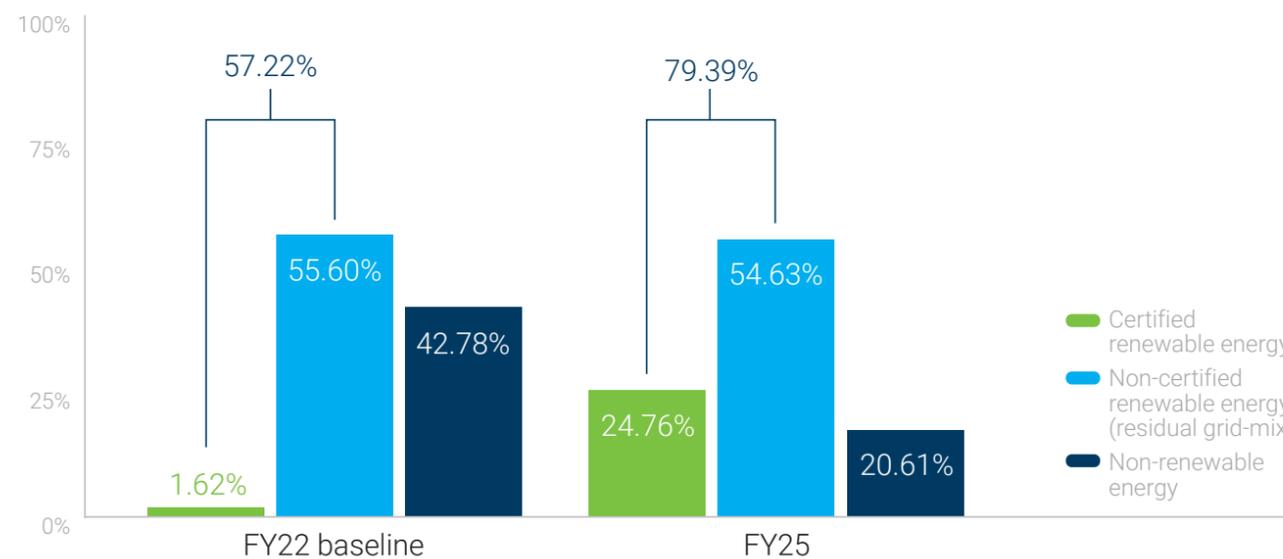
RENEWABLE ENERGY

EXFO is accelerating the move to clean energy across global operations. Between FY22–FY25, the share of renewable energy consumption surged from 57.2% (6.538 MWh) to 79.4% (8.919 MWh), a remarkable 22-point increase.

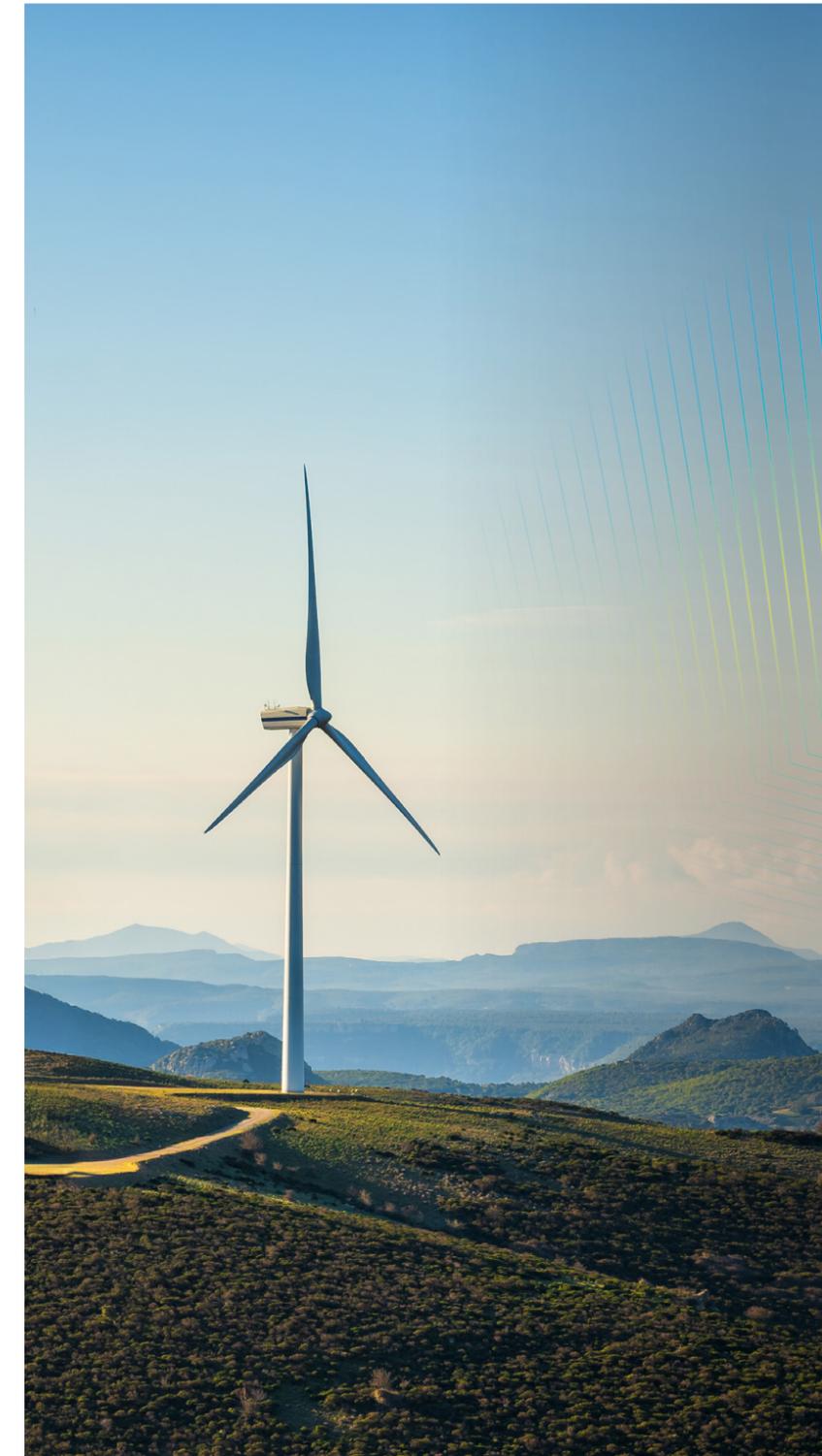
This progress reflects the strategic procurement of renewable electricity certificates (RECs) and supplier agreements, combined with regional advantages such as Québec's nearly 100% renewable hydroelectric power. Shenzhen's full switch to certified renewable power was a major driver, complemented by significant gains at Rennes and Querétaro.

These efforts underscore EXFO's commitment to reducing carbon intensity and advancing toward a low-carbon future. By prioritizing renewable sourcing, EXFO is building a more sustainable energy profile across its global footprint.

Energy consumption by type for FY22 and FY25



In the province of Quebec, Canada—where 38% of EXFO's electricity is consumed—the power is not certified, even though official estimates indicate that 98.94% of it is generated from renewable sources, primarily hydroelectricity. (source: hydroquebec.com)



SUSTAINABLE VALUE CHAIN

OUR APPROACH

Reducing value-chain environmental impacts requires action upstream with suppliers, within product design and logistics, and downstream in waste handling. In 2024–2025, we advanced on all three fronts: we completed lifecycle assessments for two flagship products; we adopted a new sustainable procurement policy to embed sustainability criteria in supplier engagement; and we launched a global waste management program covering 7 operational sites to map current practices and identify improvement opportunities.

SUSTAINABLE PROCUREMENT

In 2025, in addition to adopting a new comprehensive sustainable procurement policy, we also tightened upstream packaging requirements, signaling a move away from non-recyclable materials across manufacturing sites.

PRODUCT LIFECYCLE AND LOGISTICS

Two product lifecycle assessments (FIP-500; OTH-7000) confirmed that raw materials and distribution are the most material upstream contributors. In addition to providing initial baselines on the carbon impact of our products, the analyses highlighted opportunities to improve recyclability and modularity, optimize packaging, and limit air freight.

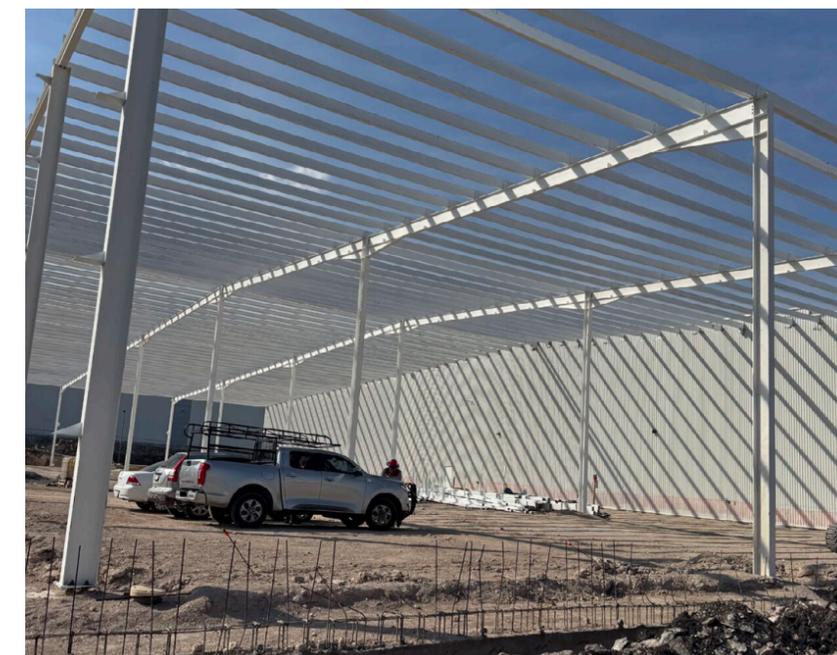
Concurrently, EXFO is centralizing manufacturing and distribution at our Querétaro site, which is currently expanding, to reduce inter-plant transportation.

WASTE MANAGEMENT

In 2025, we launched a global waste management program covering 7 operational sites. The program provides a consolidated view of current practices and creates a baseline for identifying further actions related to hazardous-waste handling, waste education, circularity, and landfill diversion.

LOOKING AHEAD (2026–2028)

Over the next cycle, EXFO will conduct a biennial ESG survey of Tier-1 and Tier-2 suppliers to strengthen data quality and support risk-based follow-up. The company will also assess the environmental benefits of centralizing manufacturing and distribution at the Querétaro site through future lifecycle analyses. In addition, EXFO will use the insights from its global waste-management program to implement further improvements in hazardous-waste handling, circularity initiatives, and landfill-diversion practices across operational sites.



Expansion of our factory in Querétaro, Mexico, where EXFO is centralizing manufacturing and distribution.



ENVIRONMENTAL COMPLIANCE

HAZARDOUS SUBSTANCES

EXFO's approach to product design and packaging prioritizes the reduction of substances that are internationally recognized as hazardous or of high concern. This helps minimize their presence in our operations and throughout the supply chain.

All applicable EXFO products strictly comply with global regulations and standards governing hazardous substances, including REACH and RoHS.

ISO 14001

EXFO's manufacturing facilities in Québec City and Shenzhen have maintained ISO 14001:2015 certification for many years, demonstrating our commitment to environmental responsibility.

Our environmental management system (EMS) is audited annually and provides a structured framework for establishing, implementing, maintaining and continuously improving our environmental performance.

In addition, our Querétaro facility is currently progressing toward ISO 14001 certification, with the goal of achieving it in 2027.

MANAGEMENT APPROACH

Climate change and supply chain risks and opportunities are included in the Enterprise risk management process, with oversight from the Board of administrators to ensure effective strategy implementation.

At the executive level, our governing policy is the [Environmental management policy](#), under the responsibility of the Senior Director of global operations.



SPOTLIGHT

ESPACE OASIS

GREENING OUR QUÉBEC CITY SITE

In 2024 and 2025, EXFO transformed nearly 25 % of its 8,000 m² headquarters parking lot into Espace Oasis, a project combining environmental restoration, climate resilience and community engagement:

MINI URBAN FOREST

Over 100 trees and shrubs were planted to bring greenery to an industrial, low-income area—creating a more inviting space for employees and neighbors. This green space will help cool the area during heat waves and act as a natural rain sponge, reducing flood risks and supporting climate change adaptation and mitigation.



PERMACULTURE GARDEN

The first of its kind in a commercial setting in Quebec, this autofertile garden follows permaculture principles to regenerate soil, support biodiversity, and create habitats for insects, birds, and small wildlife. The garden's entire harvest will be donated to local food banks.

BIKE-SHARING STATION

To promote sustainable commuting, EXFO requested its own station as part of Québec City's àVélo program. The station is available to anyone and employees receive a discount on annual memberships, encouraging low-carbon transportation options.

AIR QUALITY MONITORING

This analysis is conducted in partnership with a local organization to track and improve environmental health in the surrounding community.

Espace Oasis reflects EXFO's commitment to biodiversity, climate resilience, and sustainable mobility, turning a paved lot into a thriving green space for people and nature.





SOCIAL

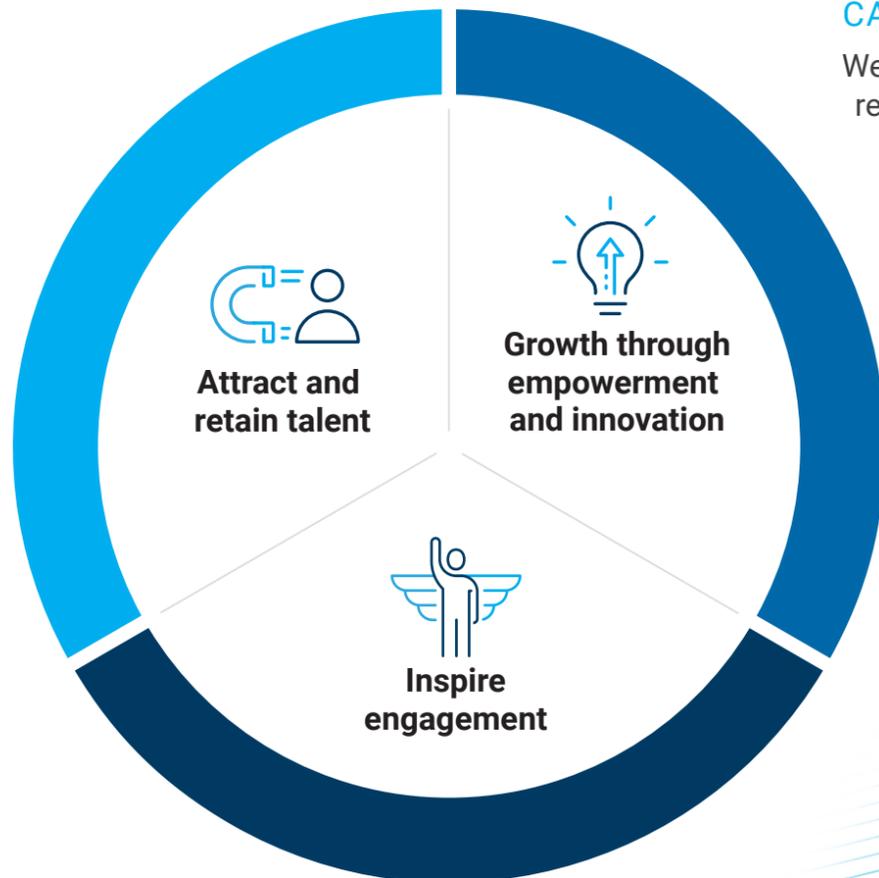


Our emerging cell team volunteered to renovate the terrace and building at a high-school outside of Québec City.

OUR PEOPLE MANAGEMENT APPROACH

EXFO's global workforce of nearly 1,400 employees remains at the heart of our culture of innovation and collaboration. Our people strategy focuses on fostering an inclusive, healthy, and engaging work environment while ensuring employees have access to meaningful opportunities for growth. Oversight is provided by the VP of Human Resources and the Board's HR Committee.

3 pillars of success



RECRUITMENT STRATEGY

Attracting and retaining diverse, high-quality talent is essential to supporting EXFO's long-term growth. Our recruitment strategy is guided by a clear talent plan that ensures job requirements remain relevant, inclusive, and aligned with the evolving skills needed in our industry. We prioritize fairness and accessibility in hiring and continuously refine our practices to support an equitable candidate experience.

We ensure that job postings use clear, inclusive language and avoid unnecessary requirements, helping broaden access to candidates with diverse backgrounds and career paths. Our recruitment approach strengthens EXFO's visibility as an employer of choice by integrating our purpose, values, and culture throughout the recruitment experience.

CAMPUS AND INDUSTRY PARTNERSHIPS

We maintain strong partnerships with leading universities and research institutions. Internship, co-op, and research-collaboration programs give students and emerging professionals hands-on experience while contributing to industry innovation in photonics, information technology, and advanced electronics. These programs reinforce EXFO's talent pipeline and reflect our commitment to developing the next generation of industry leaders.

Beyond academia, EXFO actively participates in sector-specific industry organizations, which keeps us connected to evolving technological trends and strengthens our employer presence in competitive talent markets. In Canada, we also collaborate with MITACS to support applied research initiatives and specialized training. Together, these partnerships foster a steady flow of diverse talent and enhance our contribution to the broader innovation ecosystem.



HEALTH, WELLBEING AND INCLUSION

We aim to create conditions where employees feel supported, safe, and empowered to thrive. Our global wellbeing approach integrates physical health, psychological safety, mental-health support, and inclusion.

COMPENSATION AND BENEFITS

EXFO maintains fair and equitable compensation practices supported by market benchmarking, pay-equity reviews, and governance oversight. We offer core health benefits and employee assistance programs, including telemedicine in North America, ensuring accessible care for employees and their families.

WELLBEING AND MENTAL HEALTH

Wellbeing is monitored through an annual health index, which informs the launch of targeted initiatives such as resilience workshops, health campaigns, and mental-health awareness activities. These initiatives respond to employee needs and are tailored to regional contexts.

PSYCHOLOGICAL SAFETY AND NON-DISCRIMINATION

We enforce a zero-tolerance policy for discrimination, harassment, and harassment-related retaliation. Mandatory training reinforces expectations for respectful behavior, while enhanced manager training builds inclusive leadership capabilities. Complaints are handled confidentially and investigated thoroughly.

HEALTH AND SAFETY

Through proactive hazard identification, reporting, and internal audits, our lost time injury frequency rate (LTIFR) remains well below industry benchmarks. We continually review safety measures to minimize incidents and maintain safe work environments across all sites.

FINANCIAL LITERACY

To support employees' long-term financial wellbeing, EXFO provides tools and training on budgeting, saving and retirement planning. These resources help employees navigate important life events with confidence, strengthening their overall sense of security and economic resilience. Additional country-specific guidance reflects variations in social systems and benefits across regions.



Team members in Querétaro

MONTREAL'S EMPLOYEE MOBILITY INITIATIVES

Over the past year, the Montreal ESG team worked with local partners, including Technoparc Montréal, Saint-Laurent Campus, Mobilité alternative (MOBA) and community organizations, to explore options that could improve sustainable commuting for employees. Initiatives included e-bike loan pilots, shuttle concepts and the launch of an EXFO-specific carpooling group.

Several external initiatives were paused due to regional participation or supplier constraints, highlighting the broader challenges of mobility planning in the Technoparc area.

Despite these constraints, the Montreal team continues to examine practical solutions and monitor the development of the REM expansion planned for 2027, which is expected to affect commuting patterns.

This work reflects ongoing efforts to support sustainable transportation and respond to employee mobility needs across the region.

Ari Memari
Software Designer and
Montreal ESG Leader



Employees in Québec City can take yoga, pilates or cardio classes during lunchtime.

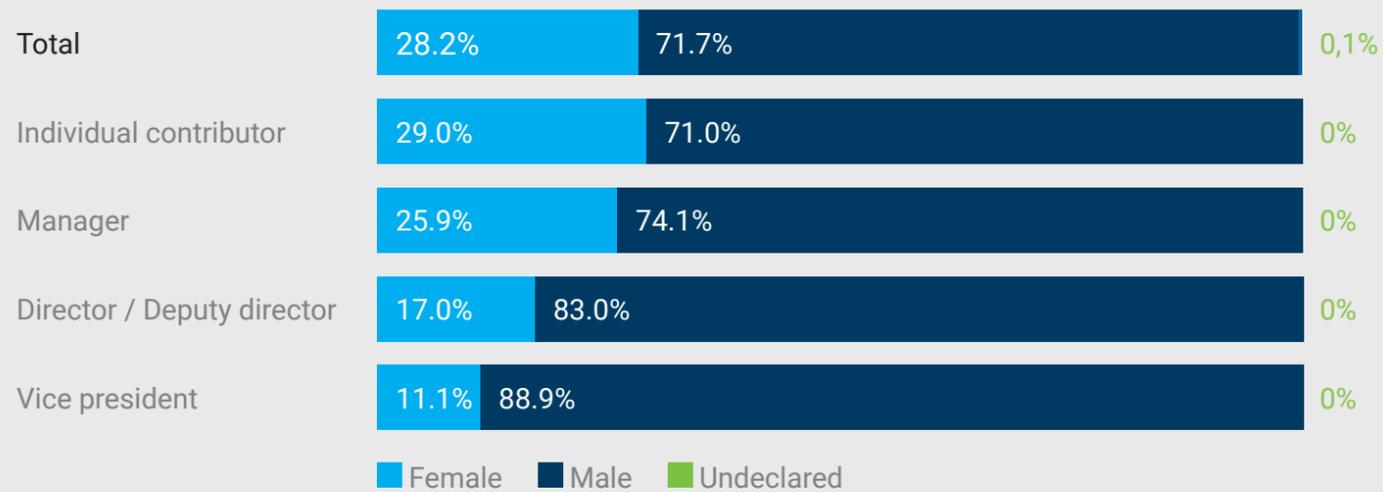
SPOTLIGHT

OUR PEOPLE

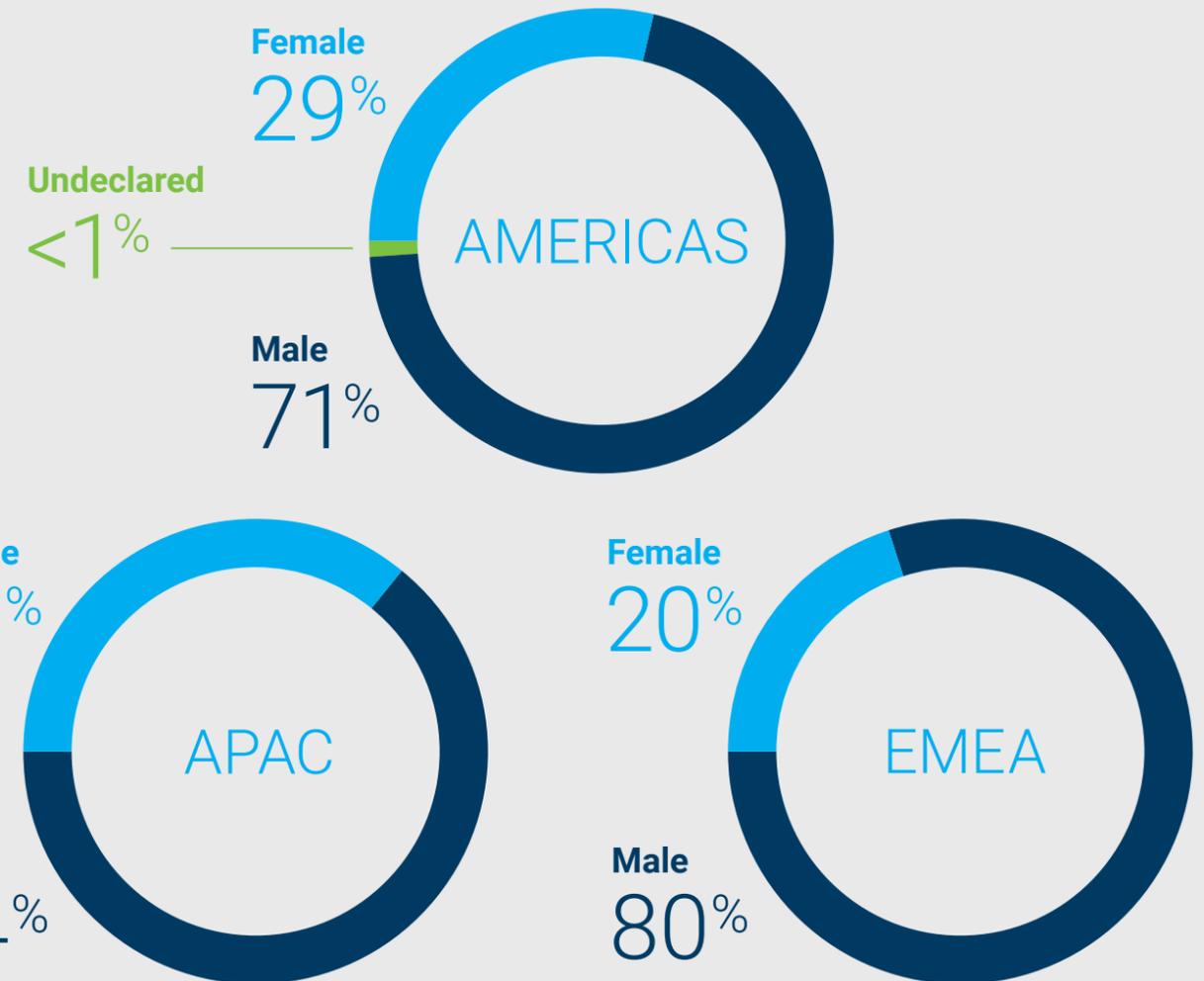
We believe that diverse teams drive innovation and performance. EXFO promotes equitable access to opportunities and fosters representation across regions and functions.

We monitor and publish gender representation across job levels and geographies. In FY25, women represented 28% of our global workforce, with representation varying by region and managerial level. We continue strengthening our practices through equitable policies, inclusive leadership training, and partnerships with organizations supporting underrepresented groups.

Gender by level – FY25



Gender by region – FY25



UPSKILLING AND RESKILLING

Continuous learning is fundamental to EXFO's culture. Our multilingual learning platform provides access to more than 15,000 training resources, covering technical, leadership, compliance and wellness topics. Global knowledge-sharing events, such as TechCurious Day, further strengthen collaboration across regions.

Internal mobility is supported through transparent internal job postings, allowing employees to pursue development opportunities across teams and geographies. Manager-focused training programs reinforce EXFO's values, enhance leadership capabilities and promote consistent people practices.

TECHCURIOUS DAY AROUND THE WORLD



SPOTLIGHT

COMMUNITY ENGAGEMENT



Québec City Christmas Market for the United Way Campaign, EXFO donations for Ekip Jeunesse, a non-profit dedicated to helping homeless youth and for St-Vincent-de-Paul, which redistributes toys to low-income families.



An employee in Chandler's Ford volunteers at a religious festival to build bridges between communities.

At EXFO, making a positive impact in our communities is a shared commitment. Through donation-matching campaigns and a paid volunteering initiative—giving every employee one workday per year for community service—we foster a culture of generosity and engagement. Across all regions, teams consistently show creativity and initiative to support their neighbors, adapting to local needs and finding meaningful ways to make a difference. The following images reflect our people in action, contributing time, energy, and heart to communities around the world.



EXFO participates in the Girls in Science fairs in Québec City and Montreal, inspiring teenage girls to pursue STEM-related careers.



The Hadapsar EXFO team spent a day volunteering at a local orphanage.



EXFO participates in the Grand Défi Pierre Lavoie 1000 km cycling challenge, redistributing funds to local elementary schools.

ACTS OF COMMUNITY SUPPORT ACROSS EUROPE

Across Europe, employees continue to participate in initiatives that respond to the needs of their local communities. These efforts take different forms across countries, reflecting regional priorities and the interests of our teams. Their involvement showcases EXFO's global volunteering program and demonstrates how employees engage with meaningful causes in their own environments.

In the UK, some employees contribute time to support children in hospital wards, offering encouragement during difficult periods. Others have participated in humanitarian activities related to the conflict in Ukraine, including preparing items such as trench candles, organizing raffles and packing food boxes for affected communities. Team members also volunteer at cultural events, helping provide food and water to participants.

In Spain, employees assisted with cleanup and recovery efforts following the severe floods in Valencia in 2024. When local volunteer channels were overwhelmed, employees stepped in directly to help families and small businesses with urgent needs.

In Finland, teams supported a holiday-season drive for low-income families, preparing gift packages to help children and teenagers during the winter period.

These examples highlight the ongoing commitment of our EMEA colleagues to supporting their communities. I continue to be encouraged by the willingness of employees across the region to contribute their time and energy to initiatives that make a meaningful difference.

Mandy Russell
 Manager Customer Service EMEA and
 Chandler's Ford ESG Leader



SOCIAL COMPLIANCE

MODERN SLAVERY

EXFO is committed to preventing child and forced labor across its operations and supply chain. In alignment with the Canadian Supply Chains Act, we have implemented awareness training and strengthened due-diligence practices. Our [Policy on Modern Slavery and Human Trafficking](#) ensures all business activities meet ethical, professional, and legal standards. In FY24, modern-slavery training was delivered to employees in the US, UK, and targeted Canadian groups, reaching an 85% completion rate. Risk audits conducted by our Purchasing team help identify suppliers and regions that may be exposed to modern-slavery concerns, informing responsible sourcing decisions. We publish a comprehensive [annual modern-slavery report](#) on our website.

CONFLICT MINERALS

EXFO uses materials such as gold, tin, tantalum, and tungsten in its electronic products and is committed to ensuring these minerals do not originate from conflict-affected or high-risk areas. In accordance with our [Conflict Minerals Policy](#), we report annually using the Responsible Minerals Initiative (RMI) standard reporting template. As part of our due-diligence process, we work with a reporting organization to engage suppliers and assess sourcing risks. In FY25, suppliers representing 85% of our total spend responded to our conflict-minerals questionnaire, reinforcing our commitment to transparency and ethical sourcing.

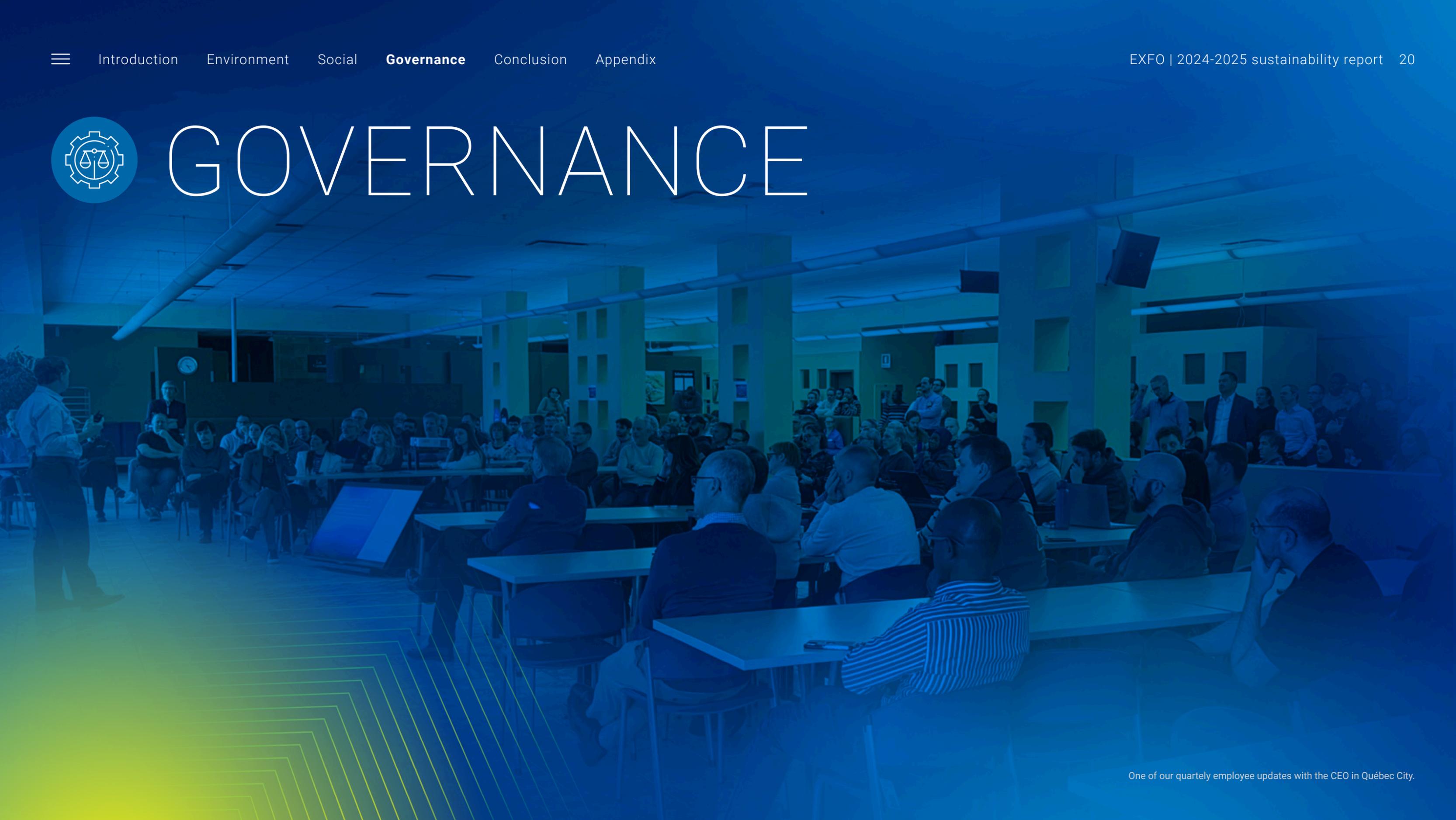
LABOR RELATIONS

EXFO maintains constructive relationships with employees and their union representatives where applicable. We fully respect freedom of association, collective bargaining rights, and all local labor regulations. In regions with works councils—such as parts of Europe—we maintain open and collaborative communication, engaging regularly on workplace safety, operational topics, and the impacts of evolving technology. EXFO also provides multiple channels for employees to raise concerns, including a confidential ethics reporting tool.





GOVERNANCE



EXFO'S GOVERNANCE

EXFO is committed to strong governance practices that promote transparency, accountability, and sustainable growth. As a privately owned company, EXFO applies governance standards aligned with Canadian best practices and its own Corporate Governance Guidelines.

In 2025, EXFO established a new Board of Directors, chaired by CEO Germain Lamonde and formed of a majority of independent directors, reinforcing our governance:

- GERMAIN LAMONDE EXECUTIVE CHAIRMAN AND CEO
- ERIC MORISSET INDEPENDENT LEAD DIRECTOR
- SASHA GERA INDEPENDENT DIRECTOR
- DOMINIQUE JODOIN INDEPENDENT DIRECTOR
- CLAUDIO MAZZALI INDEPENDENT DIRECTOR

The Board operates under [EXFO's Corporate Governance Guidelines](#), which define responsibilities, and ethical standards.

KEY GOVERNANCE PRACTICES

Board and diversity: The Board seeks diversity in professional background and requires a majority of directors to meet independence standards.

Committees: The Board is supported by two committees: the Audit Committee, chaired by Eric Morisset and the Human Resources and Governance Committee, which oversees financial reporting, compliance, and director nominations.

RISK MANAGEMENT

EXFO's Enterprise Risk Management (ERM) framework, inspired by ISO 31000 principles, is jointly overseen by the Board of Directors and the executive leadership team, providing broad visibility into strategic, operational, financial, and compliance risks. A formal risk matrix identifies, evaluates, and prioritizes risks across the organization, with each assigned to a dedicated owner for clear accountability and timely action.

The Chief Financial Officer (CFO) conducts biannual reviews to assess existing and emerging risks—including cybersecurity and ESG-related exposures—which guide internal controls, mitigation measures, and decision-making across business functions.

Financial and disclosure risks are overseen by the Audit Committee, while operational and continuity risks are managed through EXFO's Business Continuity Management System. This integrated approach keeps risk identification, mitigation, and oversight aligned at both Board and executive levels.

LOOKING AHEAD (2026-2028)

Over the next cycle, EXFO will establish a dedicated Governance, Risk and Compliance (GRC) team to reinforce the company's policy framework, strengthen risk-analysis processes, and support coordinated responses to identified risks. The GRC function will also enhance EXFO's visibility into current and emerging compliance obligations, ensuring that risk and compliance insights are consistently integrated into decision-making across the organization.

ORGANIZATION CHART SENIOR MANAGEMENT



Germain Lamonde
Founder, CEO and Executive Chairman



Jeremie Lavoie
Chief Financial Officer



Suzanne Daneau
VP, Human Resources



Etienne Gagnon
Director General, Test & Measurement Division



Louis Adam
Chief Marketing Officer



Michael Schepcke
VP, Sales, APAC region and Manufacturing, Development & Research market



Gabriel Duford
Chief Technology Officer



Stéphane Chabot
VP, Business Development – Network Development and Operation



ETHICS AND BUSINESS PRACTICES

At EXFO, we are committed to upholding the highest standards of integrity, transparency, and accountability in everything we do. Our ethical culture is rooted in clear policies, proactive training, and robust oversight mechanisms that guide our employees and partners in making responsible decisions.

GOVERNANCE AND OVERSIGHT

EXFO investigates all reported concerns related to ethics and business conduct with diligence and impartiality. Our Human Resources and Legal teams are equipped to handle potential violations of our [Ethics Manual](#) and [Code of Conduct](#), ensuring confidentiality and fairness throughout the process. Retaliation against individuals who report concerns or participate in investigations is strictly prohibited and may result in disciplinary action, up to and including termination.

ANTI-CORRUPTION PRACTICES

EXFO enforces a zero-tolerance approach to bribery and corruption. Our anti-corruption framework is designed to prevent, detect, and address risks across our global operations. Employees in relevant roles receive targeted training on anti-bribery laws and ethical decision-making, including guidance on interactions with public officials and third parties. Internal controls—such as monitoring of gifts, travel, and expenses—help mitigate exposure to high-risk transactions.

TRAINING AND AWARENESS

Ethics training is a cornerstone of our compliance program. In FY25, 377 employees across key functions—Customer Service, Finance, Human Resources, Purchasing, Sales, Sales Support and the Executive leadership team—were targeted for ethics training, including modules on gifts, bribery and corruption, fair competition and conflict of interest. With a 98% completion rate, this initiative reinforced our shared responsibility to act with integrity and strengthened ethical awareness across the organization.

TRANSPARENCY AND SHARED OBJECTIVES

From the outset, EXFO has maintained a high level of transparency by communicating regularly with employees. This practice continues today through all-hands meetings and portfolio reviews that outline our priorities, progress, and performance. We also use real-time visualization tools to monitor objectives across the organization. Directors and above are already fully integrated into this framework, and we aim to extend it to all employees by 2028 to support shared understanding and accountability at every level.

Transparent communication is essential to aligning teams with organizational goals. When employees have clear visibility into priorities and how progress is measured, they can make informed decisions and see how their work contributes to broader outcomes. This consistency strengthens trust, engagement, and a culture where accountability is supported by the same information available to everyone.

INFORMATION SECURITY, DATA PRIVACY AND PRODUCT SECURITY

EXFO is committed to protecting its systems, data, and products against cyber threats while ensuring compliance with global privacy regulations.



INFORMATION SECURITY

EXFO's information security program is designed to safeguard the confidentiality, integrity, and availability of our systems and data. Governance begins at the Board level, with oversight provided by the Audit and Risk Committee. Our Chief Technology Officer leads a dedicated team that implements policies and controls aligned with the NIST Cybersecurity Framework and ISO 27001 standards.

Key practices include:

- Continuous monitoring: Real-time threat detection and vulnerability scanning across networks and endpoints.
- Incident response: A formal plan to ensure rapid containment and recovery.
- Third-party risk management: Security
- Assessments and contractual requirements for vendors with system or data access.
- Employee training: Mandatory cybersecurity awareness and phishing simulations for all employees.

RISK MANAGEMENT AND ASSURANCE

Cybersecurity risk management is integrated into EXFO's Enterprise Risk Management (ERM) framework. We conduct annual risk assessments, monitor emerging threats, and benchmark against global standards. Independent audits and third-party assessments validate the effectiveness of our controls.

Key performance indicators include:

- Completion rate of cybersecurity training
- Quarterly vulnerability scans and remediation tracking
- Annual penetration tests across critical systems

Our proactive approach ensures resilience against evolving threats and reinforces EXFO's commitment to protecting stakeholders in an increasingly digital world.

DATA PRIVACY

We recognize that protecting personal and customer data is critical to maintaining trust. EXFO adheres to global privacy regulations, including GDPR and applicable local laws, through a centralized privacy governance framework. Our Data Protection Committee oversees compliance and risk mitigation strategies.

Our approach includes:

Privacy by design

Integrating privacy considerations into product development and business processes.

Data lifecycle management

Policies for secure collection, storage, retention, and destruction of personal data.

Rights management

Processes to honor data subject rights, including access, correction, and deletion requests.

Training and awareness

Regular privacy training for employees and third-party partners.

ESG GOVERNANCE

Executive ESG sponsorship is provided by our CEO, whose leadership sets the tone for our sustainability efforts.

In 2023, ahead of our first sustainability report, we conducted an ESG impact assessment to evaluate our maturity, identify key stakeholders—including customers, investors, employees, and communities—and align our initiatives with their expectations. This assessment still serves as a roadmap for driving meaningful change across our company and informs the structure and priorities of our ESG governance.

Our ESG plan includes six strategic priorities, embedded within EXFO's three-year corporate strategy.

Oversight is ensured by a dedicated ESG steering committee made up of six members of the Senior Management Team, responsible for approving and guiding EXFO's sustainability approach.

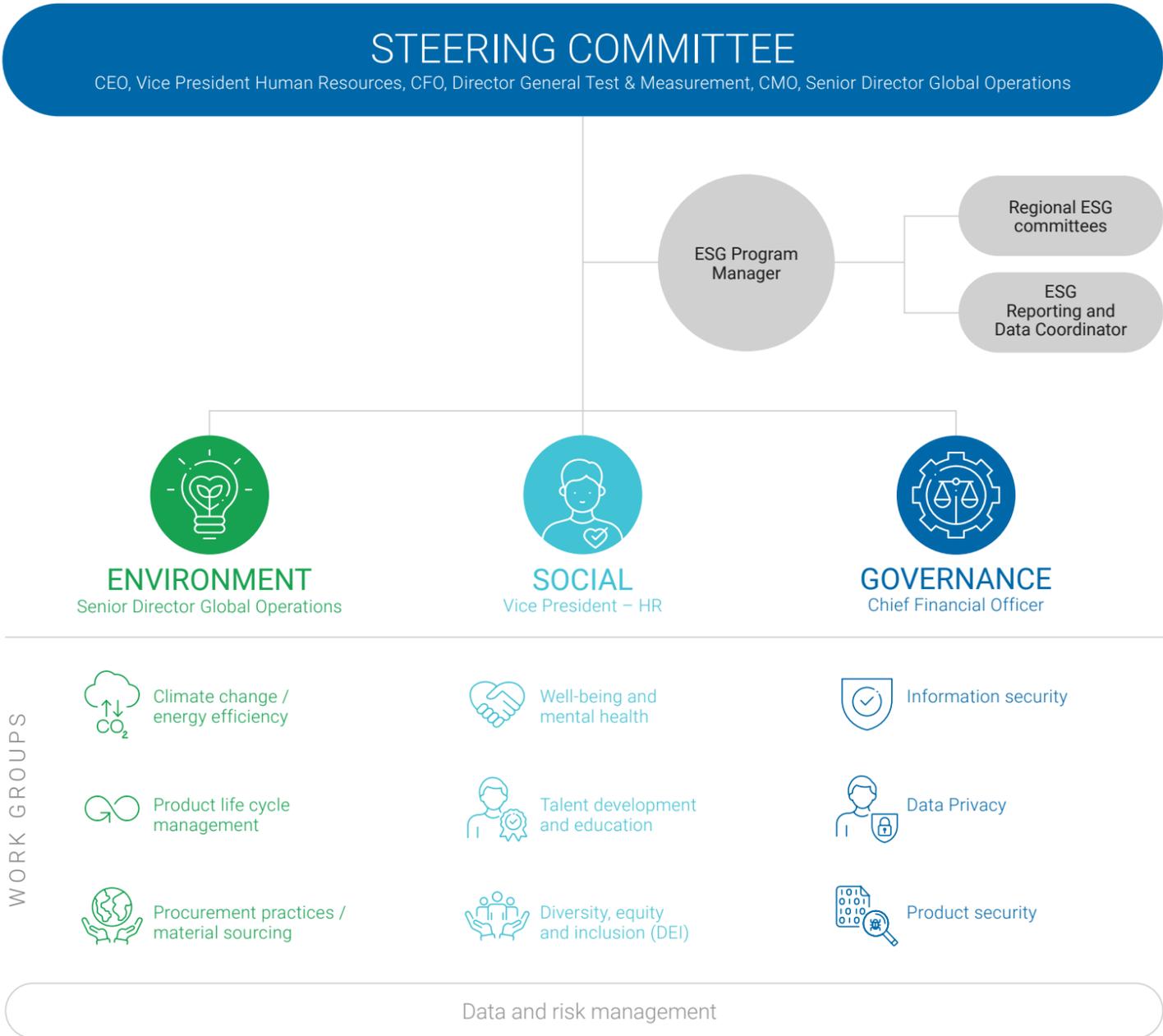
To drive progress within each sustainability pillar—environmental, social, and governance—we've appointed pillar-specific champions nominated by the CEO. These leaders work with cross-functional and cross-regional employee groups to implement action plans and ensure sustainability priorities are integrated into our operations.

An ESG Program Manager and Reporting & Data Coordinator play a central role to steer initiatives in alignment with EXFO's strategic goals—reinforcing our commitment to sustainability and long-term impact.

The ESG leader now leads the taskforce responsible for completing EcoVadis assessments. This team mobilizes internal expertise to meet evaluation criteria and drive continuous improvement.

In FY24, the program manager launched a global ESG committee with representatives from EXFO's 12 major sites (7 as of December 2025). This committee fosters collaboration, shares best practices, communicates local needs and priorities and ensures local relevance in global initiatives.

SUSTAINABILITY MANAGEMENT STRUCTURE



CONCLUSION

Looking back on fiscal years 2024 and 2025, one thing is clear: EXFO keeps moving forward—now with more focus than ever, further sharpening our identity as a Test & Measurement leader.

Over the past two years, our commitment toward sustainability has remained rock steady. We improved environmental performance, deepened our understanding of our footprint, and strengthened social, ethical, and governance practices across the organization.

Expectations will keep rising and the pace of change will accelerate. We welcome that challenge. Striving to be the best Test & Measurement partner means aiming higher. Our people thrive on teamwork, tackling complex challenges, and collaborating across a truly global organization. With a more focused business, clearer priorities, and engaged teams worldwide, we are well equipped to keep pushing.

Our commitment is simple: improve continuously and concentrate our efforts where they create the most value. ESG is no longer a parallel initiative; it is becoming part of how we operate, innovate, and lead.

EXFO's 40-year history is built on innovation, disruption and market leadership. That spirit will guide us as we enter the next phase of our ESG journey—confident, determined, and ready to deliver results that reflect who we are: a company that wins through resilience, responsibility, and drive.



SCOPE 1 AND 2 GHG EMISSIONS INVENTORY SCOPE, RESULTS AND METHODOLOGY

GHG EMISSIONS CALCULATION METHODOLOGY

Calculations are consistent with the GHG Protocol A: Corporate Accounting and Reporting Standard, revised edition, made available by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Calculations include 12 global facilities accounting for approximately 93% of EXFO office-based employees. Emissions data has not been calculated for certain rented office spaces. Because of their small size and the fact that they represent only 7% of EXFO office-based employees, their contribution is expected to be negligible, and was therefore excluded.

Reported GHG emissions include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) emissions from electricity, natural gas, fuel consumption and hydrofluorocarbon (HFC) emissions.

The assessment of Scope 1 and 2 emissions was based on primary data for all activities at EXFO. The electricity emission factors (both grid and residual mix) (Scope 2) are taken from the ecoinvent database (v3.9.1) and based on the IPCC 2021 methodology indicating high temporal representativeness. The fuels used for stationary and mobile combustion at the Shenzhen (China) and Hadapsar (India) sites were taken from the global IPCC emission factors, and the rest were from the respective national inventory reports. The emission factor for the diesel car in Lannion (France) was also a global emission factor from IPCC. Finally, the fuel emission factors for purchased heat in Lannion and Chandler's Ford was taken from national GHG inventories, but the fuel efficiency was assumed as 80% based on the default value provided by the US EPA.

Greenhouse gas emissions	FY22*	FY25**
Scope 1 (mtCO₂e)		
Total Scope 1 emissions	134.49	147.35
Mobile	58.84	49.96
Stationary	65.84	62.94
Fugitive	9.81	34.44
Scope 2 (mtCO₂e)		
Location based	2219.87	2344.71
Market based	2223.80	1069.38
Scope 1 and 2 (market-based) intensity		
mtCO ₂ e per full-time equivalent employee	1.94	0.76

*FY22 September 1, 2021, to August 31, 2022
**FY25 September 1, 2024, to August 31, 2025