



## **1. STATEMENT**

EXFO Inc. and its Affiliates (hereinafter “EXFO Group”) values human rights and is committed to ensuring that all business is conducted according to ethical, professional and legal standards. This Policy on Modern Slavery and Combatting Trafficking in Persons (hereinafter “Policy”) illustrates our commitment to challenge and confront the use of compulsory, trafficked, Forced or Child Labour within our organizations and supply chains. EXFO Group will comply with all local, national and/or international trafficking regulations that apply to our business operations in all locations.

EXFO Group has a zero-tolerance approach to Modern Slavery and Trafficking in persons within its organizations and supply chains and is committed to acting ethically and in compliance with its statutory obligations. This document is directed, amongst other things, to assisting EXFO Group to comply with its obligations under the different Modern Slavery Acts and the U.S. Federal Acquisition Regulation (FAR) 52.222-50, Combating Trafficking in Persons, available at <https://www.acquisition.gov/far/52.222-50>. EXFO Group remains attentive of any subsequent legislative changes.

## **2. SCOPE**

This Policy applies to the EXFO Group global business operations, which includes all goods and services provided by the EXFO Group. Employees and Agents whose responsibilities relate to the sourcing of parts, components, and materials are informed and are expected to assist our compliance with these requirements, associated legislation, and regulations.

This Policy will be reviewed when necessary or required by law.

## **3. DEFINITIONS**

### **3.1. Agents**

Defined as EXFO Group’s suppliers, service providers, consultants, distributors, representatives and any other sales partners.

### **3.2. Child Labour**

Defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

### **3.3. Debt Bondage**

Defined as a form of Forced Labour and happens when a person is forced to work to pay off a debt. The persons are tricked into working for little to no pay, with no control over their debt.

### **3.4. Forced Labour**

Defined as all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

### **3.5. Modern Slavery**

Defined as the severe exploitation of other people for personal or commercial gain. Modern Slavery can take many forms, the most common will be defined hereinafter.



### [3.6. Trafficking in Persons](#)

Defined as (i) Sex Trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age or (ii) the recruitment, harboring, transportation, provision, or obtaining of a person for labour or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, Debt Bondage, or slavery. The exploitation can include Forced Labour, being made to commit crimes, or any other form of Modern Slavery.

## **4. RESPONSIBILITY**

### [4.1 Prohibited activities](#)

Employees and Agents of EXFO Group are strictly prohibited to:

- a) Engage in any forms of Trafficking in Persons and/or of Modern Slavery;
- b) Purchase commercial sex acts at any time (during work hours and non-work hours);
- c) Use Forced Labour in the performance of their duties;
- d) Destroy, conceal, confiscate, or otherwise deny access by an Employee to the Employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
- e) Use misleading or fraudulent practices during the recruitment of Employees or offering of employment, such as failing to disclose, in a format and language understood by the Employee or potential Employee, basic information or making material misrepresentations during the recruitment of Employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs, any significant costs to be charged to the Employee or potential Employee, and, if applicable, the hazardous nature of the work. (Where applicable);
- f) Use recruiters that do not comply with local labour laws of the country in which the recruiting takes place;
- g) Charge Employees or potential Employees recruitment fees;
- h) When applicable, fail to provide or pay the cost of return transportation at the end of employment for an employee who is not a U.S.A. national and was brought into the U.S.A. for the purpose of working on a U.S.A. government contract or award, if payment of such costs is required under existing temporary work programs or pursuant to a written agreement with the employee for portions of contracts and awards performed outside the U.S.A.;
- i) Provide or arrange housing that fails to meet the host country housing and safety standards;
- j) If required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document, written in a language the Employee understands, that includes details about work description, wages, prohibition on charging recruitment fees, work location(s), living accommodations and associated costs, time off, roundtrip transportation arrangements, grievance process, and the content of applicable laws and regulations that prohibit Trafficking in Persons.

### [4.2 Consequences of violations](#)

Any breach or violation of this Policy will not be tolerated and be subject to the proper disciplinary actions, including but not limited to, termination of employment or contractual relationship.

### [4.3 Agents](#)

Agents must refrain from any conduct in violation of this Policy.

EXFO Group purchasing department evaluates and verifies the Agents compliance in preventing Modern Slavery and Trafficking in Persons in the industry. All our Agents, before entering into any business with EXFO



Group, must complete forms which include complying with our Code of conduct and with the *United Nations Global Compact Principles*. Without such commitment, EXFO Group will not engage in a business relationship or permit the Agents to take part in the supply chain in any shape or form.

#### 4.4 [Reporting concerns](#)

In accordance with our Statement on reporting ethical violations, which can be found at <https://exfoprodstorage.statement-on-reporting-ethical-violations>, employees, suppliers, sales partners, shareholders or any other interested party are encouraged to raise concerns about any issue or suspicion of improper or illegal act, which thereby includes any form of Modern Slavery and Trafficking in Persons, in accordance with the reporting procedure indicated in such Statement.

### 5. RELATED BUSINESS PROCESSES

- Process 2330 – Purchasing Material and Services – Qualify Buy Receive (and Form IMS2-7-263)
- Process 1330 – Talent Management
- Process 1120 – Enterprise Risks

### 6. REFERENCES

EXFO Group has implemented various policies and a compliance plan to confront Modern Slavery and Trafficking in Persons within the supply chains and within our organization. These are available at: <https://www.exfo.com/en/corporate/charters-policies/> and on the intranet.

#### Conflict Minerals Policy

With the Conflict Minerals Policy, EXFO Group is committed to sourcing material from environmentally and socially responsible suppliers. It is our policy not to purchase from known conflict sources and we expect our suppliers to abide by the same standard.

#### Agent Code of conduct

The Agent Code of conduct reflects our commitment to a culture of honesty, integrity, and accountability, acting ethically and complying with applicable laws and regulations of the countries in which EXFO Group does business or business is conducted on behalf of EXFO Group. The Agents are required to conform to the Agent Code of conduct.

#### ISO 26000 – Guidance on social responsibility

Management and operations at EXFO Group are guided by ISO 26000, a standard which provides the framework that companies worldwide can follow in order to act in an ethical and transparent way and contribute to the health and welfare of society. While the ISO 26000 standard doesn't provide a specific certification, it nevertheless offers recommendations about how companies can be more socially responsible.

#### Recruitment and compliance plan

Our recruitment practices are transparent and reviewed regularly. We communicate directly with candidates to discuss job opportunities and confirm the details of any offer made. We have procedures in place for vetting new employees, confirming their identities, and ensure that wherever possible they are paid directly into an appropriate, personal bank account. We have a compliance plan in place in accordance with the *U.S. Federal Acquisition Regulation (FAR 52.222-50)*.



Ethics and Business Conduct Policy

EXFO Group requires the highest standards of professional and ethical conduct and integrity from the employees and directors. EXFO Group's reputation is based on honest and fair practices at all levels of the organization, and EXFO Group expect everyone employed by the Company to conduct business with the utmost integrity. No employee will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings.

**7. APPROVAL**

Philippe Morin  
Chief Executive Officer

Suzanne Daneau  
Vice-President, Human Resources

**8. APPLICATION DATE**

December 2022