

# EXFO's sustainability journey

Connecting  
ambition with  
action

The EXFO logo is located in the bottom right corner of the slide. It consists of the word "EXFO" in a bold, white, sans-serif font. The letters "E", "X", and "O" have horizontal lines through them, giving the logo a modern, technical appearance. The background of the slide is a dark blue photograph of three men in a laboratory or workshop setting, working on electronic components. A yellow line with circular nodes connects the text elements across the slide.



# Ensuring the connected world meets the highest expectations

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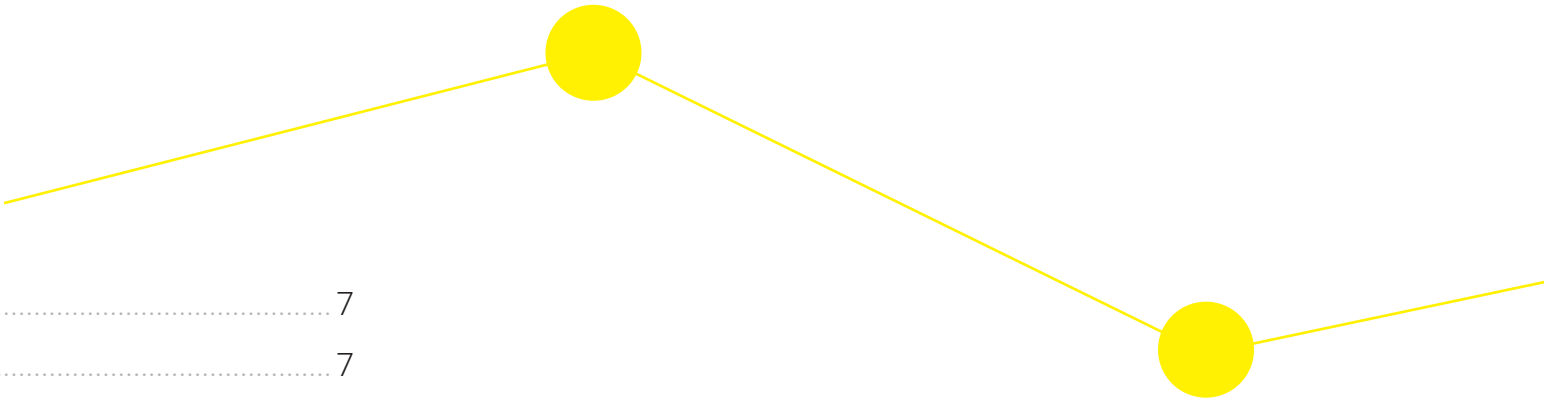
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Ensuring the **connected world** meets the highest expectations

# Message from our environmental, social and governance (ESG) program executive sponsors

We are proud to present EXFO's first-ever ESG report, which provides an overview of our commitment to and strategies for ESG practices.

From the very beginning, EXFO's ambition has been to provide innovative solutions to meet the needs of the telecommunications market and to become the global reference in fiber optic test and measurement. For nearly 40 years, our open-minded approach to the world and our tenacity to solve the most complex problems with innovative solutions has been an integral part of EXFO's DNA. We believe these are the same qualities needed to help the social and environmental challenges we face.

Through our global operations, we have the opportunity to make a significant, positive and lasting impact on the environment, our employees and the communities where we live and work. Diversity is one of the values that has made EXFO strong since its inception because it enriches us. By fostering an inclusive culture, we enable everyone to feel like they are part of the company and contribute fully to our collective success.

To better quantify and monitor our environmental and social impacts, we conducted an ESG maturity analysis in 2023 with a specialized consulting firm. This process enabled us to set our ESG vision for the next two years: connecting ambition with action. This report, the first of its kind, details the nine priorities that will enable us to achieve our vision by mobilizing our 1,900 employees, partners and suppliers. In addition, our ESG priorities are now an integral part of our three-year corporate strategic plan, an important first step toward a sustainable strategy.

Finally, we would like to thank our employees—the true champions of this action plan—and our customers, suppliers and partners for their trust and commitment to our ESG approach. As a private company, this journey is voluntary and rooted in our deeply held beliefs. We believe it is our responsibility to respond proactively and transparently to the changing needs of society, as we have always done. Driven by our ESG action plan, we are ready to work together for a better future.

**Germain Lamonde**  
Founder and Executive Chairman



**Philippe Morin**  
Chief Executive Officer



## ABOUT THIS REPORT

This report introduces our action plan for 2024–2026, reflecting our ambitious goals for the future. As we take these foundational steps into the world of ESG reporting, we aim to provide transparency and accountability in our sustainability efforts.

Our action plan outlines concrete actions and goals, setting the stage for our continued dedication to ESG initiatives and our steadfast determination to make a lasting, positive impact on the world around us.

And we would not be able to do this without our dedicated employees around the world, who are passionate about driving positive change and sustainability within our organization.

We are excited about the opportunities and challenges ahead and are committed to working as a team to achieve our ambitious sustainability objectives.

EXFO welcomes your feedback and questions at [esg@EXFO.com](mailto:esg@EXFO.com).





# EXFO at a glance

EXFO develops smarter test, monitoring and analytics 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, service reliability and user experience.

Building on nearly 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.

EXFO's global footprint extends from its headquarters in Quebec City, Canada, to 13 production and engineering sites, as well as numerous customer support centers around the world.



**1,900 employees and customers in 120 countries**







Building  
our future  
on a **strong  
foundation**



## A SOLID FOUNDATION, FOUR DECADES STRONG

Founded in 1985, EXFO is an established industry leader driven by entrepreneurial DNA. Over the years, we have continuously evolved and innovated to refine the ways we invest in our team members and give back across the globe.

First and foremost is our mission to ensure the connected world meets the highest expectations, to bring together people, communities and businesses. Telecommunications technologies have never been more important, and they are evolving at amazing speeds. Service providers depend on us to adapt just as quickly to overcome complex challenges to deliver this critical infrastructure.

As we plan our next chapter in ESG policies and programs, we want to also celebrate what we've accomplished over the last nearly 40 years, and recognize our team members who go above and beyond every step of the way.



# Guided by **our values**

Our values are the foundation of our culture.

They guide us in our daily work, how we relate to each other and the world around us and the way we do business.



## TEAMWORK

We believe that teamwork, collaboration and co-creation in a stimulating, fun and welcoming work environment for our employees, partners and customers is key for our organization to thrive.



## INNOVATION

We encourage one another to be bold, to disrupt, to challenge the status quo and to experiment as we contribute to EXFO's sustainable advantage and make profitable market share gains.



## MARKET DRIVEN & CUSTOMER FOCUS

We are passionate about the markets we serve and the value we add for our customers. We make it a priority to anticipate their changing needs while building trust through impeccable business ethics and win-win solutions.



## EMPOWERMENT

We push ourselves to take ownership, drive initiatives, bring ideas to help EXFO evolve and do everything we can to exceed our collective goals.



## PEOPLE & COMMUNITY

We care about our people and community. We fully accept our social responsibility. We minimize our environmental footprint. We create a healthy and inclusive environment for all.



## ESG IMPACT ASSESSMENT

We conducted an ESG impact assessment in 2023 to analyze our level of ESG maturity so we could identify our many stakeholders (from our customers, investors and employees to the communities we serve) and their expectations to align our ESG initiatives with their values and needs.

We also identified our current ESG strengths and areas for growth. This impact assessment serves as a roadmap for driving change and creating a sustainable impact on our company, the environment and society.

## ESG GOVERNANCE AND PRIORITIES

### Executive sponsors

Responsibility for ESG lies with our two sponsors: the Chairman of the Board and Founder, and the Chief Executive Officer (CEO). Their joint leadership sets the tone for our initiatives.

### ESG steering committee

A dedicated ESG steering committee, consisting of seven members of the Senior Management Team, oversees and approves the ESG plan. This committee provides strategic guidance and direction for our ESG efforts.

### ESG program manager

The ESG Program Manager is charged with organizing, aligning goals, and managing the entire project lifecycle, from definition to implementation. This role ensures a cohesive and streamlined approach to ESG initiatives.

### Strategic priorities

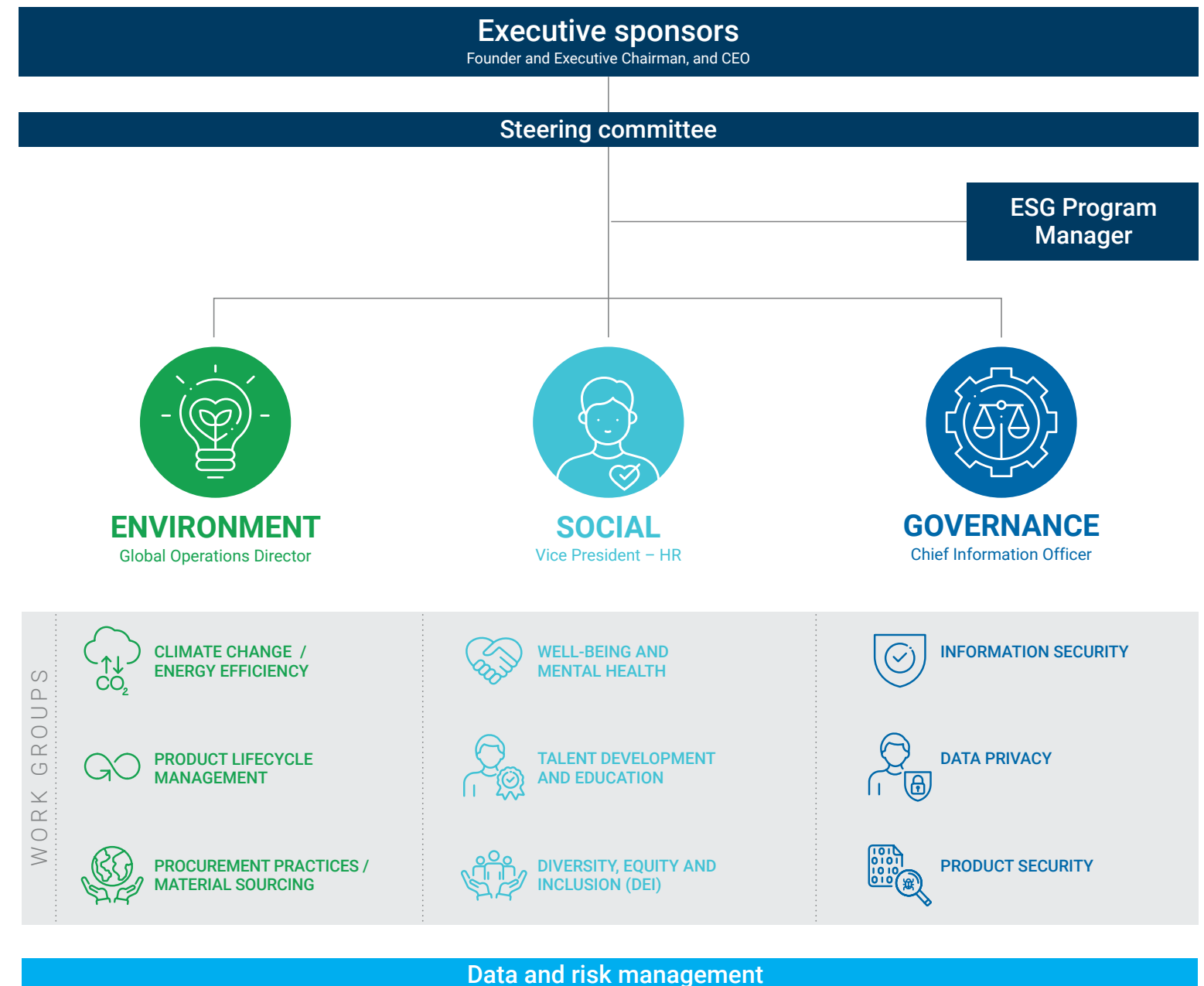
Our ESG plan includes nine strategic priorities for implementation in 2024–2026. These priorities are an integral part of our three-year corporate strategic plan and a testament to our commitment to embedding sustainability and responsible corporate citizenship into our long-term vision.

## PILLAR-SPECIFIC CHAMPIONS AND COMMITTEES

Within each of the three ESG pillars—environmental, social and governance—designated leaders are tasked with developing and implementing action plans. These champions are nominated by the executive sponsors to drive progress in their respective areas.

Pillar-specific work groups composed of employees from different functions and regions are working together to advance key elements of the action plan. This collaborative effort ensures that ESG priorities factor into various aspects of our business and align with our strategic goals.

# ESG governance





# Innovation, in EXFO's DNA

At the core of EXFO's values is a relentless drive to solve the telecom industry's toughest challenges with innovative solutions. Our commitment to meeting our customers' needs and our ambition to be first on the market means we are always looking for new ways to provide exceptional value. Innovation is in our DNA.

To deliver on the promise of the enhanced connectivity and new applications that 5G networks bring, operators around the world urgently need powerful investigation and troubleshooting capabilities, so we've developed a troubleshooting platform already in use in some countries. The advanced analytics it provides will enable many more regions of the world to be efficiently connected to 5G and its social and economic benefits in the future.

We are proud that many of our innovations over the years have become industry benchmarks. But even in product categories where we've led the market for years, such as the optical time domain reflectometer (OTDR), used in the field by more than a million network technicians and engineers around the world, we continue to innovate in ways that empower these technicians to do more themselves and do it better, resulting in less wasted time, fewer truck rolls and, ultimately, a more reliable network for all.

Five years ago, EXFO created the EDGE team—a group dedicated exclusively to innovation initiatives aimed at developing and implementing new ideas, products, solutions and business models to gain a competitive advantage and drive business growth. But innovation isn't limited to the EDGE team; it's a collective journey where team members across the

company are encouraged to contribute fresh ideas. This year's TechCurious Day, a peer-to-peer tech event held at 11 EXFO sites, is a great example of social innovation that connects people, technical knowledge and ideas in a novel way. We encourage our employees to challenge norms, experiment and embrace failure as part of the learning process, knowing that their contributions are critical to driving EXFO innovation.

As we look to the future, innovation will be a recurring theme. The telecommunications industry must attain an unprecedented level of operational excellence to support reliable, high-performing networks. This guides our evolution as we adapt to our industry's changing landscape not only to remain relevant but to lead the way into the future.

**39**

years of pioneering essential solutions and technologies







Connecting to  
**our future**









# Social pillar

Millions of people in every region of the world depend on EXFO and our partners to provide seamless network performance as they go about their daily lives. We spearhead innovations that make new and lifesaving network applications possible, such as remote surgery and connected medical devices. We understand the profound social impact our company has on people and communities worldwide, and this gives us purpose and inspires us to do the right thing.

We firmly believe that our company's success is intertwined with the wellness of our employees, the prosperity of the communities

we serve and our pursuit of continuous learning. That's why we have always striven to empower our people, enable team connectivity and create an environment where innovation can flourish naturally.

## OUR PEOPLE MANAGEMENT APPROACH

Our Global HR team works collaboratively with all departments to foster an inclusive environment where EXFO's global team can thrive.

We emphasize continuous learning, collaboration and adaptability in our approach to people management, based on the changing industry landscape

and the evolving needs of our people. By investing in growth, embracing diversity and prioritizing well-being, we aim to keep EXFO at the forefront of the industry, driven by engaged and innovative thinking.

## OUR PROGRAMS

Hybrid work

Employee well-being

Global mobility

Volunteer and community engagement

Psychological and sexual harassment prevention



Our culture is all about connection. Connection to our people, to our customers and to our communities. It's what drives all our actions.

- Philippe Morin, CEO



Presentation at the Lycée Français in Valencia, Spain, with primary school pupils to raise awareness of hunger around the world and the importance of food aid and controlling food waste at home and in regions deeply affected by hunger.





# Well-being and mental health

We offer resources and flexibility to support employee well-being, including investment in local and global initiatives to destigmatize mental health, tools for both managers and employees and awareness campaigns promoting good mental health habits.

In 2024–2026, we want to ensure that well-being and mental health remain top of mind. Critical to our success is having better insight into the state of wellness at EXFO and measuring the impact of our initiatives with the right metrics.

It's especially important for us to keep working to make well-being and mental health initiatives more effective and inclusive by homing in on the needs of all employees, especially those from underrepresented groups.

## KEY HIGHLIGHTS

### WELL-BEING AND MENTAL HEALTH FOR ALL THROUGH WORK FLEXIBILITY

We recognize the benefits of allowing for flexibility in the way we work together and the importance of tapping into the talents of people from around the world. We also believe in the value of having our team members interact in a workspace where they can innovate and collaborate to continue fostering our culture.

### A BETTER WORK-LIFE BALANCE

#### Hybrid work mode

EXFO has formalized a framework for hybrid work arrangements that allows us to take advantage of teleworking and still enjoy the benefits of working together onsite in support of our collective growth and culture of innovation.

#### Work from anywhere program

As part of our hybrid work arrangement, we developed a new program that offers employees the opportunity to work from anywhere for up to four weeks per year. Since the program's inception in 2022, many employees have taken the opportunity to visit distant relatives after the COVID-19 pandemic.

#### More effective virtual communications and connectivity practices

In 2023, EXFO held workshops with managers on how to “navigate in hybrid mode.” They looked at effective communication in virtual and hybrid settings, including virtual etiquette and messaging, and tackled the pressure that comes with “always being on.” The goal was to raise manager awareness of company expectations on work-life balance and effective communication.



**Empowering our people to elevate each other is what makes me the proudest.**

- Suzanne Daneau  
VP Human Resources





**BENEFITS THAT HELP****EMPLOYEE AND FAMILY ASSISTANCE PROGRAM (EFAP)**

EXFO's EFAP provides free and confidential counseling services to employees and their immediate family to help with personal, legal, financial and professional challenges.

**Virtual care**

Employees in Canada, the United States and the United Kingdom have access to a telehealth service allowing them and their family members to speak directly with a health professional. In Canada, up to 80% of telehealth consults are resolved without an in-person visit to a clinic (Telus Health, March 2022).

**Workweek adjustment in Canada**

In 2023, we tailored the workweek for our managers, professional employees and support staff in Canada to ensure a better work-life balance. This reduction enables our teams to deliver results with greater efficiency and focus, while contributing to the well-being of our employees.

**KEEPING GLOBAL HEALTH TOP OF MIND THROUGH AWARENESS CAMPAIGNS, ACTIVITIES AND EMPLOYEE CONNECTION**

Since the beginning of the COVID-19 pandemic in 2020, we've had to adapt our messaging and initiatives to address new workplace health and safety risks: mental health issues caused by isolation and anxiety, and lockdown-related sedentary lifestyles.

**Greater proximity with global communication**

When COVID-19 hit and most of our employees were forced to work from home, we immediately gave them the tools they needed. We also established weekly video updates with our CEO to share critical information with our people. Open communication is essential to reducing uncertainty and building trust. We have kept many of the communication channels we developed during the pandemic, including quarterly virtual all-hands meetings with our CEO. Today, our teams have never been more integrated geographically, and that makes EXFO even stronger.

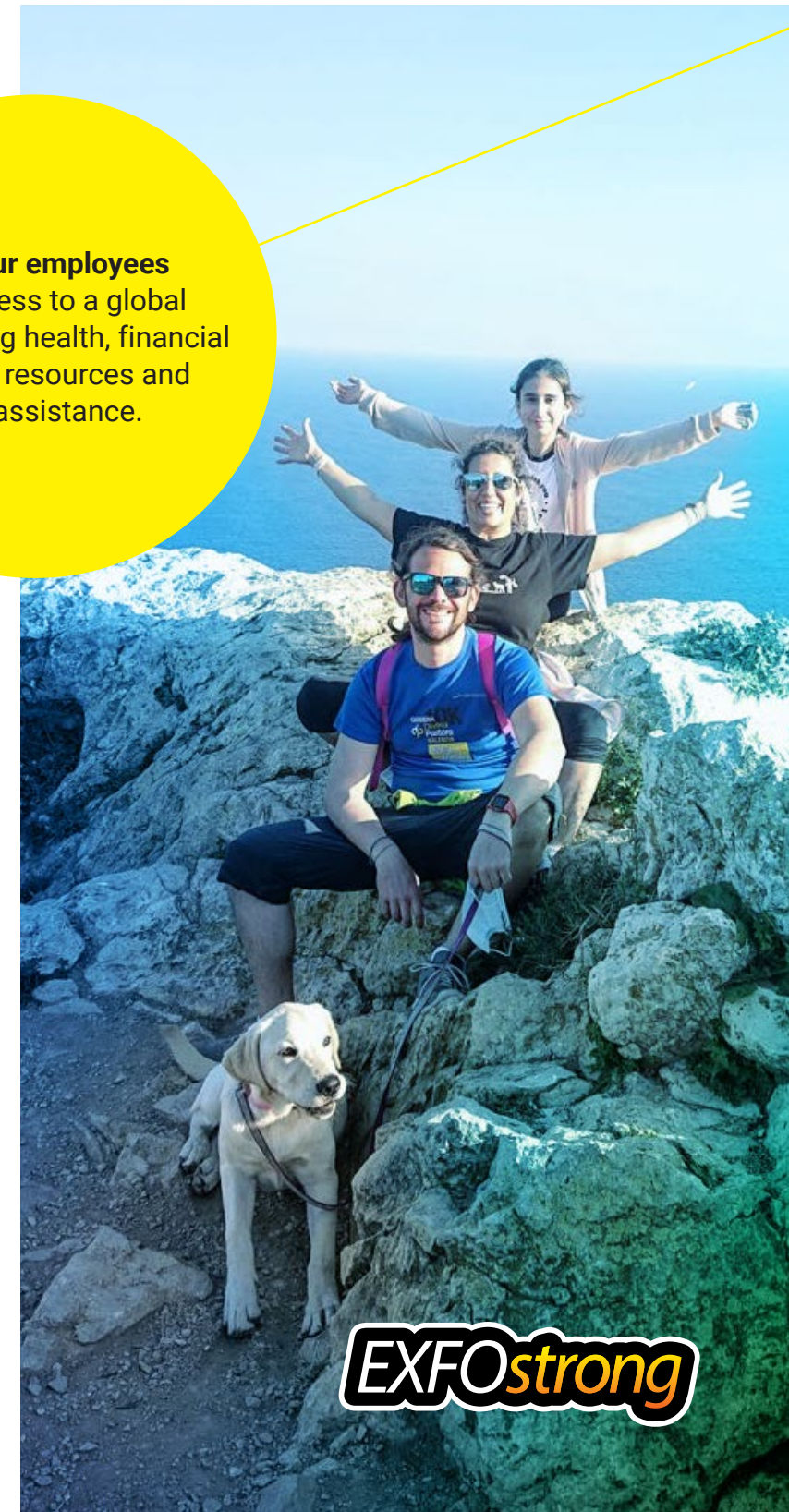
**Increasing mental health awareness through training**

Improving our employees' knowledge of mental health risks, issues and prevention is a key first step in removing the stigma around mental health. Since 2020, we've hosted two keynote conferences and a series of webinars on anxiety and resilience at work and mental health self-assessments.

**EXFO health drives**

Every year, EXFO organizes health drives in different regions, making free healthcare accessible to employees and saving them the time, and sometimes the cost, required to get healthcare elsewhere. In Hadapsar, India, local HR held a health camp in 2023, including dental check-ups, eye exams and a blood drive. In Quebec City and Montreal, Canada, EXFO holds an annual influenza vaccination campaign.

**All of our employees** have access to a global EFAP, offering health, financial and legal resources and 24/7 assistance.





# Three years of **Move the World, EXFO!** challenge success

Over the past three years, Move the World, EXFO! has made a significant impact. Launched amid the COVID-19 pandemic in 2021, this challenge serves as a virtual platform to unite our global team through physical activity. The tradition has continued and adapted to evolving public health restrictions.

The core goal of the challenge is a collective one: to walk or run 100,000 kilometers around the world. This achievement resulted in a generous donation to Khan Academy, which provides free, high-quality education around the world.

In 2022, the challenge branched out to include other physical activities and four hours of paid volunteer time. Teams engaged in over 2,000 hours of volunteering through activities such as litter clean-ups, community gardening and wildlife surveys, fostering connections between employees and communities.

The top three teams from India, France and Spain chose to donate their prizes to local charities invested in poverty alleviation, cancer awareness and prevention and trans kids' rights. This success led EXFO to create an annual paid day for employees to give back to their communities.

This year, Move the World, EXFO! adopted a virtual format using a mobile app challenge that encouraged teamwork as employees logged steps on a virtual world map. This challenge has become a global activity that's accessible to all and bolsters our values of unity and community involvement.





## 2024–2026 Action plan

### INCREASE MENTAL HEALTH AWARENESS

We will increase mental health awareness and tackle the stigma around mental health by:

- Positioning our leaders as mental health ambassadors
- Promoting healthy connectivity habits
- Launching a mental health and well-being prevention campaign
- Introducing mental health and psychological safety into the Leadership Development Program
- Expanding local onsite health services/activities

### ENHANCING WORK-LIFE BALANCE

We will enhance work-life balance, promote employee well-being and foster a family-friendly workplace by:

- Reviewing and adapting our range of mental health benefits
- Providing training to promote a positive and balanced workplace culture
- Analyzing current and defining new guidelines for family and work-life balance



# Talent development and education

To foster innovation at EXFO, we cultivate a culture that thrives on complex challenges and rewards employees who take pride in creating innovative solutions.

Our 2021 employee value proposition (EVP) survey revealed that the opportunity to engage with intricate problems is a prime motivator for our team. By supporting creativity, continuous development and learning, we empower our employees to maintain the momentum of innovation so vital to our business success.

In 2024–2026, we want to invest greater resources in talent development and education. Central to our innovation success is peer-to-peer learning. We want to continue offering these opportunities for skills-sharing and growth.

The EVP survey highlighted that **86%** of employees feel their direct manager trusts them and that **82%** are satisfied with the culture of learning.

**TRUST** is essential for creativity and innovation. At EXFO, managers have earned our employees' trust, a must for a culture of empowering employees.



KEY HIGHLIGHTS

LEARNING AND KNOWLEDGE SHARING

Cultivating leadership at EXFO

As the cornerstone of EXFO's quest for success, our managers play an important role and are pivotal in fulfilling our mission. We support the growth and development of current and future leaders through our Talent in Action fast-tracking program, and by inviting top leaders to our Leadership Summit. At the most recent event in September 2022, more than 200 leaders from around the world met in person for three days to take part in workshops such as our leadership blueprint.

LEADERSHIP BLUEPRINT MODEL

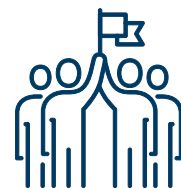
Strategic focus  
**THINK**



Driving results through conceptual and data analysis to respond to the business challenges of today and tomorrow

- Vision
- Innovation
- Change & transformation
- Market & technology

People focus  
**INTERACT**



Driving results by attracting, developing and retaining talent

- Inspire others
- Elevate talent
- Drive team performance
- Be transparent

Operational focus  
**DO**



Driving results by executing initiatives and mandates with discipline through well-known practices

- Agility in execution
- Customer focus
- Profitability & revenue
- Operational excellence



Leadership Summit, Mont-Tremblant, Canada





# Sharing tech knowledge with **TechCurious** Days

EXFO boasts world-class experts in many technology fields, from AI programming to physics, and they are always eager to share their knowledge. In 2023, we gave them a chance to do just that when we launched a series of internal events for all EXFO employees called TechCurious Days.

Over the course of two weeks, we held over **100 TechCurious sessions at 11 locations around the world**. With topics for everyone, and a mix of live and virtual sessions, TechCurious Days were all about touting EXFO employees and their expertise, increasing awareness and knowledge of tech-related topics and cross-pollinating ideas across departments. The event was an opportunity to bring employees together, explore the latest advances in our industry and cultivate a spirit of curiosity and collaboration.

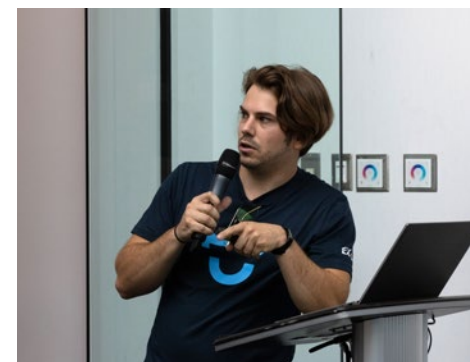
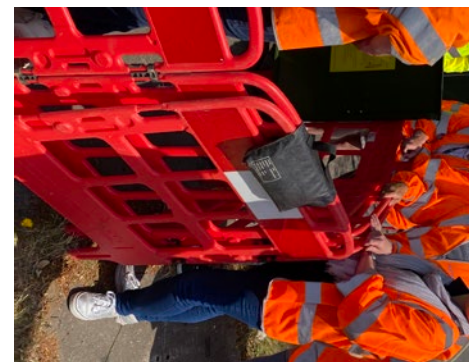
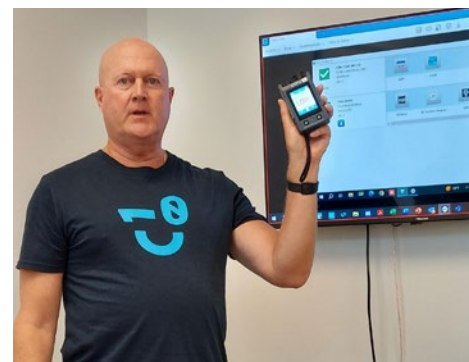
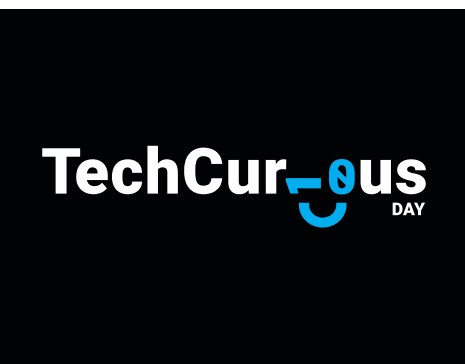


In a world where technology advances at lightning speed, **a day dedicated to exploring technology** is more than a mere event. It's an opportunity to celebrate our values and to actively contribute and innovate together.

- Sylvain Nadeau  
Director, Strategic Innovation



TechCurious Day, Valencia, Spain





## UNVEILING EXFO'S EMPLOYEE VALUE PROPOSITION (EVP)

In 2021, EXFO surveyed employees about what makes working at EXFO great. The survey results allowed our HR and marketing teams to modernize and enhance EXFO's EVP. The three aspects that employees identified as EXFO's core strengths are: we LOVE complex challenges, we work as a team and we're proud to be global. These three aspects are now referred to as the three pillars of the EXFO employee experience. They were communicated to current and prospective employees in a marketing campaign called "Together, we're unstoppable / Join an unstoppable team." As part of this campaign, we held our first global culture week in 2022, where employees shared stories that embody our three pillars.



Complex challenges

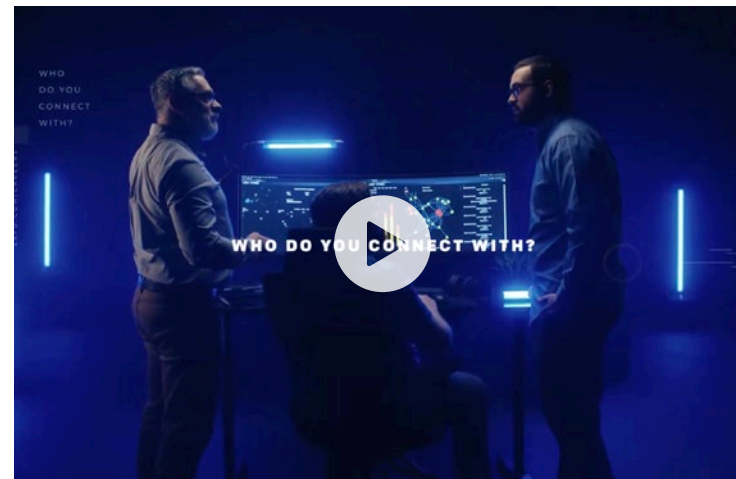


Working together



Proud to be global

"**Together, we're unstoppable**" is now the name of our employee experience program, and we've since organized several Unstoppable events, including our annual Move the World, EXFO! Challenge, TechCurious Days and guest speaker keynotes.



[Watch the video >](#)

## SCALING UP THE ONBOARDING EXPERIENCE

The flip side of LOVING complex challenges (an EVP pillar) is that what we do is inherently complex. This means that joining a technology company like EXFO comes with a steep learning curve. Effective integration is essential for new employees to feel confident and productive in their roles and to boost engagement at EXFO. That's why, in 2022, EXFO introduced a global framework for the new employee onboarding experience. The framework clarifies EXFO's expectations for employee onboarding across the company (including our much-appreciated buddy system and new employee meet-and-greet) and combines open dialogue and continuous integration while allowing local HR professionals and managers to stay responsive to new employee needs and tailor the experience to local customs and contexts.

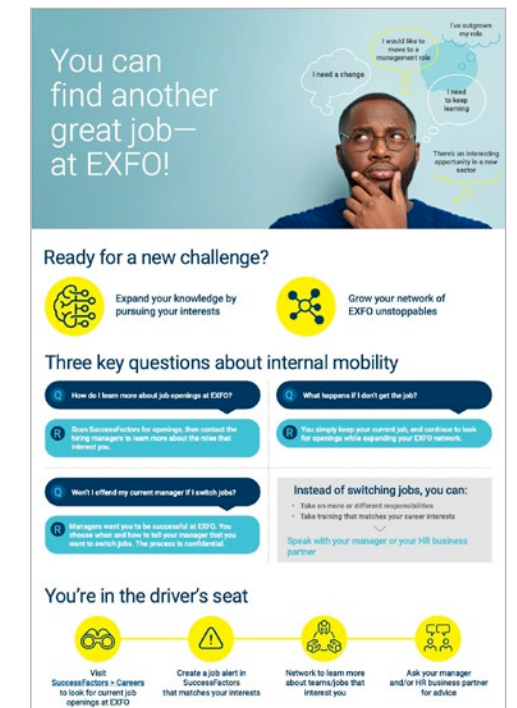
## FOSTERING CONTINUOUS FEEDBACK AND EMPLOYEE RECOGNITION

We know that a big part of growing as a professional is getting the right feedback at the right time. That's why we designed Continuous Feedback, an EXFO employee platform feature that allows employees and their managers to request and give feedback. This feature is fully integrated into EXFO's contribution management program to make sure the feedback received gets the proper visibility.

Recognizing our people for their great work is key to ensuring lasting employee motivation and incentivizing behaviors that are aligned with our values. We are proud to offer several recognition programs, including variable compensation to share in EXFO's financial success, a years-of-service program to highlight our long-serving employees and sales recognition and innovators' awards.

### Facilitating career mobility within EXFO

To retain top talent, we need to provide growth opportunities and, most importantly, make sure employees know about these opportunities. In 2022, we launched an internal mobility campaign aimed at increasing employee awareness of career opportunities within the organization at a global level. As part of this campaign, we shared the experiences of several employees who have had a rich career path at EXFO to inspire others to follow suit. At EXFO, internal mobility includes lateral and vertical moves and geographic mobility. In 2023, over 90 employees made internal moves.



## SETTING THE NEXT GENERATION UP FOR SUCCESS THROUGH INTERNSHIPS AND PARTNERSHIPS

We partner with various colleges, engineering schools and universities around the world:

- Spain: Valencia University, Polytechnic
- France: Rennes University (ESIR), École d'ingénieurs de Lannion (ENSSAT), Rennes (INSA) and Bretagne (IMT Atlantique)
- Finland: Oulu University
- United Kingdom: Aston University, Birmingham, Middlesex University London



### Cloud campus

In 2021, EXFO began participating in the initiative to develop cloud training programs for industry leaders and cloud experts in collaboration with key players in the technology training ecosystem and pillars of the Canadian economy. The goal was to create a talent pool to support the growth of the IT sector and the digitalization of Canadian businesses. A number of our employees participated in the program and brought back a wealth of knowledge to share with their peers.



Press conference to announce the 5G Center of Excellence. October 31, 2022, EXFO Montreal, Canada

### 5G Center of Excellence (CoE)

EXFO's 5G CoE has strengthened collaboration with Canada's leading applied research organizations. We are part of the Canadian government's [Mitacs Accelerate program](#), an industry-university research partnership that pairs members of EXFO's R&D teams with graduate students.

We aim to help prepare the next generation of researchers for the workplace and provide them with real-world research topics and datasets. Master's students and their mentors work with our researchers on applied research in machine learning and fiber optic test technologies. Over the past three years, EXFO has partnered with Concordia University (Montreal, Canada) and Université Laval (Quebec City, Canada).

The 5G CoE offers students the opportunity to experience the company's culture, work environment and industry practices. They work closely with professionals who can serve as mentors, providing guidance, advice and insight that can be incredibly valuable to a student's academic and professional growth. In addition, successful collaborations can pave the way for future collaborative projects, research or career opportunities.

Universities that partner with the 5G CoE gain access to industry-relevant problems, data and resources that can enhance the quality and practical application of the university's research. It also ensures that the curriculum is aligned with industry needs and prepares students with the relevant skills and knowledge.

This collaborative effort fosters innovation and the development of solutions for broader 5G deployment. These innovations can have a significant societal impact across multiple sectors such as healthcare, transportation, smart cities and more. For example, improved telemedicine through high-speed, low-latency connections can benefit remote areas.

### Commitment to work experience in the United Kingdom

We're proud to highlight our active engagement with the community through our work experience program. This year marks a milestone with our 10<sup>th</sup> participant from the local comprehensive school, which caters to students age 11 to 18. We offer a one-week immersive opportunity for 15- and 16-year-old students to experience our day-to-day operations and learn about the diverse roles essential to our business. This initiative fosters educational development, supports the local school and students and bolsters EXFO's presence in the community—a triple win scenario.

## 2024–2026 Action plan

### OFFER MORE LEARNING OPPORTUNITIES

We will offer opportunities to foster employee development and education by:

- Holding learning events focused on technology through peer learning
- Recognizing and rewarding people who put time and effort into learning
- Launching a Leadership Development Program

### FACILITATE ACCESS TO LEARNING AND EDUCATION

We will facilitate access to diverse sources of development by:

- Introducing a pool of internal experts as coaches
- Adding a culture of learning and sharing knowledge as part of EXFO's core values

### LEVERAGE ENGAGEMENT FOSTERING TECHNOLOGY

We will introduce technology that fosters engagement to connect employees and engage them in learning.





# Diversity, equity and inclusion (DEI)

EXFO is committed to building a workplace that champions diversity, promotes inclusivity and provides a safe space for every member of our team. Our vision is to create a space where employees feel connected, empowered, respected and valued.

In 2024–2026, our goal is to improve the representation of women and other underrepresented groups at EXFO, because we know that awareness and understanding are the bedrock of a truly cohesive and innovative workplace and that having a broad spectrum of backgrounds enriches our collective creativity and insight. Furthermore, we make it a high priority to nurture an environment that is unequivocally free from harassment and discrimination and to educate our employees about the values of diversity and inclusion.

## KEY HIGHLIGHTS

### OUR COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION

In 2023, we presented our DEI commitment. We have pledged to:

- Hire, promote and engage a diverse workforce
- Offer a workplace free from discrimination, harassment, bullying, victimization and vilification
- Treat employees fairly and with respect
- Embrace and invite different perspectives and value diversity as a strength

- Ensure that our people can achieve their full potential and have an equal opportunity to grow, progress and succeed
- Create awareness of the rights and responsibilities of everyone with regard to fairness, equity and respect for all aspects of diversity
- Provide an environment where people feel safe speaking up when things are not right or others are excluded

- Offer flexible work practices and policies to support employees and their changing needs
- Develop strong and sustainable relationships with diverse stakeholders, including organizations in our communities, as well as our customers and suppliers

[Read the full statement >](#)

Our people  
by the  
numbers

Gender  
ratio (F:M)  
**1:2.7**

Average age  
**43**



Workplace diversity is one of EXFO's core strengths.

- SEPT24, HR marketing agency  
EXFO EVP Report, April 2021

The 2021 EXFO EVP survey revealed:

**89%** of employees agree that every person is accepted regardless of age, nationality or gender.

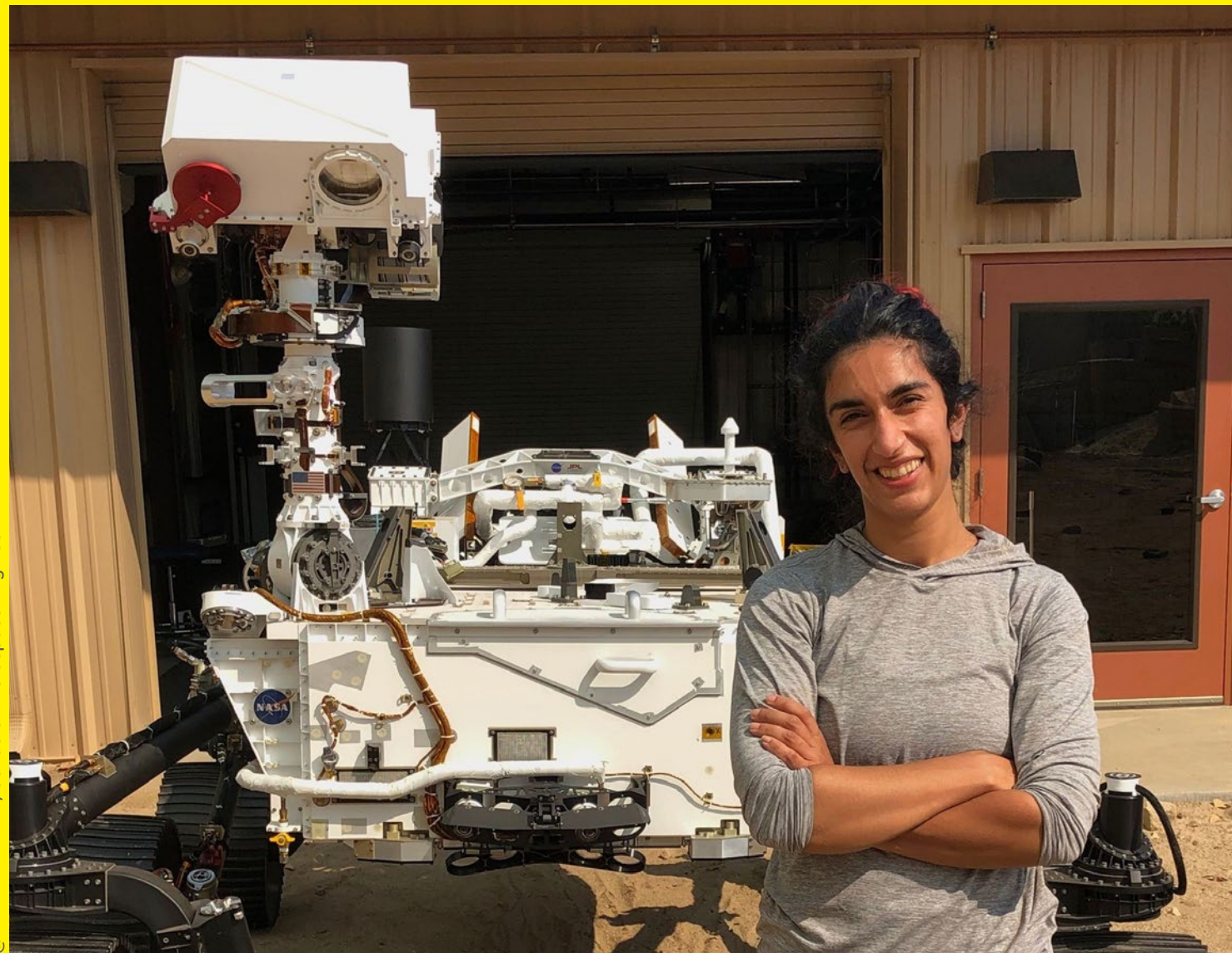
**86%** of employees agree that the organization respects differences in employees: culture, working methods, ideas.





## AN INSPIRING DISPLAY OF RESILIENCE

In April 2023, we had the privilege of hosting Dr. Farah Alibay, Ph.D., a distinguished aerospace engineer and advocate for diversity and inclusion in STEM, as part of our Unstoppable Days event. In her exclusive keynote address, "The Perseverance of an Explorer," Dr. Alibay shared her remarkable journey in aerospace engineering with 1,300 EXFO attendees and stressed the importance of fostering diversity and inclusion in driving innovation and progress in male-dominated fields.



@ FARAH ALIBAY, Canadian Aerospace Engineer

## UNCONSCIOUS BIAS TRAINING

EXFO's entire senior leadership team received unconscious bias training over the course of the year.

## SUPPORTING NEURODIVERSITY

Thanks to a partnership between EXFO and Neuro Plus, a recruitment and consulting agency dedicated to enabling neurodiverse candidates to fully utilize their cognitive strengths and creativity in the workforce, we are building a channel to help us expand our talent pool with uniquely skilled individuals who bring fresh perspectives and innovation to our teams. This collaboration not only aligns with our inclusive hiring practices but also reinforces our commitment to creating a diverse and dynamic work environment.

## CONNECTING WITH OUR COMMUNITIES

EXFO and its founder and executive chairman, Germain Lamonde, have a longstanding commitment to the community and have participated in many activities supporting community welfare and greater inclusion of underrepresented groups in STEM.

### Safe campers thanks to EXFO-sponsored t-shirts

When an EXFO employee heard through his daughter that there weren't enough funds to provide young campers at Loisirs Vanier Day Camp (Quebec City, Canada) with t-shirts, he asked EXFO for help. Through our suppliers, we printed 300 t-shirts with the camp's name and contact information, making young campers more visible and safer on outings.



## Contributing to disaster relief in India

EXFO India donated to the Prime Minister's relief fund. This fund offers assistance in times of crisis, such as floods, droughts or earthquakes.



## EXFO-Lamonde Scholarship Program

In 2017, our founder, Germain Lamonde, and EXFO, signed a five-year agreement to create the EXFO-Lamonde scholarship fund for undergraduate and graduate students enrolled in engineering at Université Laval (Quebec City, Canada). The final scholarships were awarded this year.







Choosing science means changing the world. Science stimulates creativity, guides us toward work aligned with our values (social, ethical, environmental) and pushes industry toward greater sustainability. It informs the decisions made by leaders to help preserve the planet. As an engineer at EXFO, I'm proud to make a difference by ensuring seamless global communication. That's why, every year, I share my passion for science at Les filles et les sciences, an electrifying duo!

- Thuyen Nguyen, Eng. MBA, Project Manager,  
Network Instruments & Platforms



### Promoting girls in STEM

Through our sponsorship and the work of two EXFO employees as members of the Les filles et les sciences Board of Directors, we work to help promote women in science, technology, engineering and math (STEM). Every year, EXFO employees in Montreal and Quebec City take part in this event to introduce middle school and high school girls to the varied and interesting career opportunities in STEM and encourage them to stick with math and science.



### Grand défi Pierre Lavoie

For the 11<sup>th</sup> consecutive year, EXFO participated in the 1000 KM event of the Grand défi Pierre Lavoie. The primary objective of the Grand défi is to create a culture of preventive health in the province of Quebec by encouraging people to adopt a healthy lifestyle, promoting physical activity in underprivileged schools and funding research on orphan diseases. Our team of five EXFO cyclists and a driver trained together for the 1000 KM challenge and donated to help a school in an underprivileged area purchase sports and recreation equipment.



### 30 years of solidarity with United Way

For the last 30 years, EXFO has participated in United Way's annual fundraising campaigns in Montreal and Quebec City. United Way seeks to improve lives by mobilizing the caring power of communities worldwide around the greater good. By supporting United Way, we help support the success of young people, provide essentials for those in need, break social isolation and build inclusive living environments. In 2022, EXFO created a new fundraising activity: a professional photo shoot, using the skills of local employees.





## GLOBAL OUTREACH, LOCAL IMPACT

EXFO employees around the world go above and beyond to make a positive impact on their workplaces and communities. Here are a few examples of local initiatives that have sprouted up in the last two years. In the future, we hope to increase our local impact around the world by more actively supporting our communities.

### Lannion, France



#### Bringing beauty to an industrial area

Employees in Lannion brought some beauty to the local office grounds by planting a flower garden using repurposed materials and collecting litter as part of EXFO's Move the World, EXFO! Challenge.

### Montreal, Canada



#### Spring cleaning at a local school

In Montreal, the springtime thaw reveals all the litter left hiding under the snow throughout the winter. Employees at the Montreal office joined forces to clean up the grounds of a local school for children with disabilities, so they could have a litter-free environment to play in.

### Quebec City, Canada



#### Community garden

EXFO Quebec partnered for a second year with La Ruche Vanier to maintain and harvest a vegetable patch on EXFO grounds in Quebec City. Through the efforts of a hundred employees and young summer campers from the community, the EXFO garden yielded over 40 kg of vegetables, which were donated through La Ruche Vanier's food security program. EXFO's harvest helped more than 750 people in need.

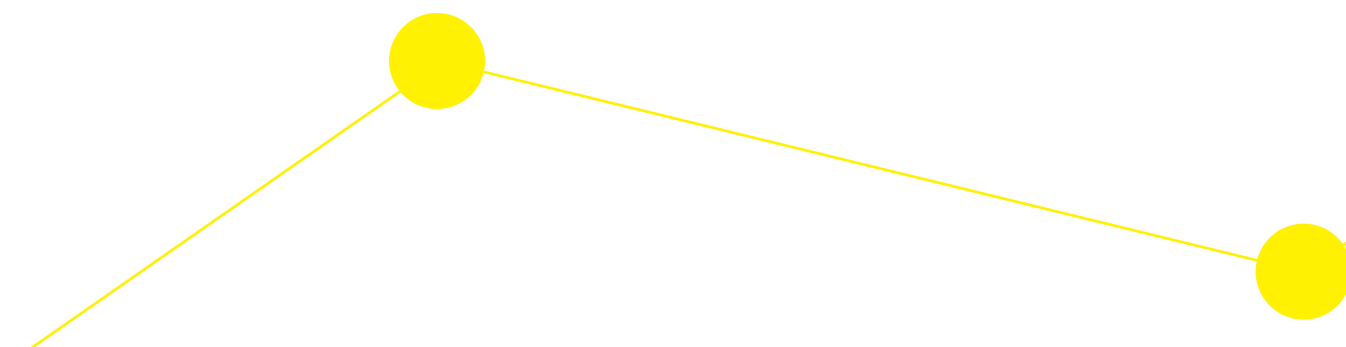


### Querétaro, Mexico



#### Raise breast cancer awareness

Employees in Mexico highlighted World Breast Cancer Awareness Day in October 2023 with a special event, and female employees received information on preventive measures.





Richardson, United States



**Collecting food for a local food bank**

Although many of our employees at the Richardson office volunteer on their own, as part of Move the World, EXFO!, the entire team came together for a first office-wide volunteer event and collected 102 pounds of food for the North Texas Food Bank, donating the equivalent of 85 meals to the Dallas community.



Shenzhen, China



**Cleaning up a local park**

Nearly 200 EXFO employees in Shenzhen spent a day cleaning up a local park.

Chandler's Ford, United Kingdom



**Walking the talk of solidarity**

In 2023, Chandler's Ford employees participated in a 100-mile walk to benefit Motor Neurone Disease research, a 6.2-mile walk for cancer research, and a 26-mile walk to raise funds for Naomi House, the local children's hospice.

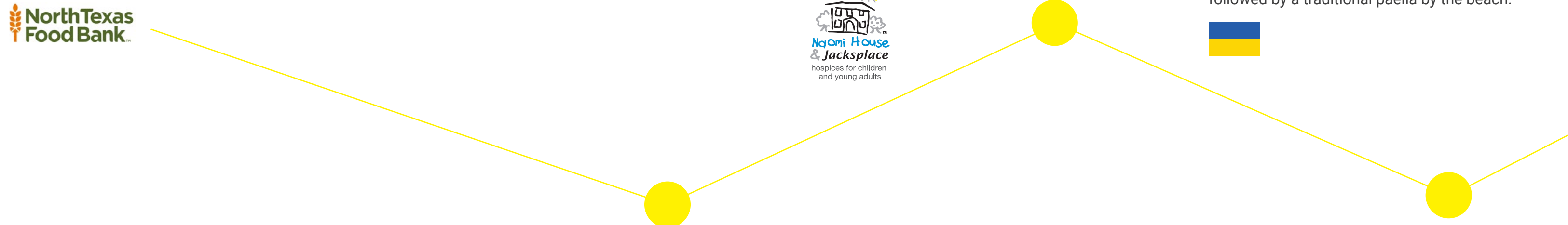


Valencia, Spain



**Picking oranges for Ukraine and picking up litter on the beach**

As part of EXFO's Move the World Challenge, a team of employees in Valencia picked oranges to be sent as food supplies to Ukraine where they could be distributed to people in need. The entire Valencia team also organized a beach clean-up activity, followed by a traditional paella by the beach.





Rennes, France

**Monthly breakfast chats**

Employees in Rennes meet on the first Monday of each month to have breakfast together, chat and raise awareness on topics of interest to EXFO and its employees, such as breast cancer prevention, community outreach opportunities and an office carpooling program.

Hadapsar, India

**Health camp and blood drive**

Most employees at our Hadapsar location participated in a blood drive in 2023.

## 2024–2026 Action plan

### DEFINE OUR DEI STRATEGY

We will define EXFO's DEI vision and strategy by:

- Spelling out and communicating EXFO's DEI commitment to internal and external stakeholders and establishing key DEI metrics
- Launching a DEI awareness campaign for all employees
- Introducing a DEI component into the Leadership Development Program
- Communicating DEI initiatives and progress to employees

### ENCOURAGE COMMUNITY INVOLVEMENT

We will encourage employee involvement and inclusivity in the community by:

- Offering an annual paid day for volunteer work
- Organizing regular opportunities to volunteer in the local community
- Continuing to support United Way (Canada) and other fundraising campaigns

### IMPROVE THE REPRESENTATION OF UNDERREPRESENTED GROUPS

We will increase the representation of employees from underrepresented groups by:

- Establishing recruitment partnerships with organizations and universities representing diverse groups
- Conducting a DEI survey
- Creating a mentorship program









# Environment pillar

For years, we have been committed to environmental responsibility with respect to our operations and our products, so that our actions align with industry-leading practices to mitigate the impacts of climate change, promote responsible product lifecycle management and encourage sustainable and ethical sourcing practices. As part of our ESG journey, we are now integrating these principles into our strategic planning to not only meet but exceed regulatory requirements and contribute to a healthier planet.

## ISO 14001 CERTIFICATION

EXFO's manufacturing facilities in Quebec City and Shenzhen have been ISO 14001:2015 certified for years and our new facility in Querétaro will be certified in 2025. Our environmental management system (EMS) is audited every year. The EMS provides a framework for establishing, implementing, maintaining and continually improving our environmental performance.



## OUR POLICIES AND CERTIFICATIONS

[ISO 14001 certificate](#)

[EMS manual \(including our environmental policy\)](#)

[Conflict minerals policy](#)

[Policy on modern slavery and combating trafficking in persons](#)

[Agent code of conduct](#)

[Supplier terms and conditions](#)

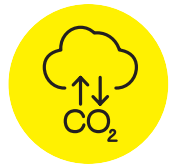


Our ESG journey sheds light on EXFO's longstanding but rarely publicized commitment to operating as an environmentally responsible company, paving the way for more strategic actions and a greater impact in the future.

- **Guy Rochette**  
Director, Global Operations







# Climate change / energy efficiency

In publishing our first ESG report, we improved our data collection methods not only to gain deeper insights into our environmental footprint, but also to lay the groundwork for a comprehensive long-term strategy to improve our environmental impact. Based on these findings, we are committed to setting near-term science-based emissions reduction targets and long-term net-zero goals by no later than 2050, in line with the SBTi Net-Zero Standard.

To achieve our goals, we must reduce our overall energy consumption and transition to renewable energy sources. We must also continue working in partnership with our suppliers to reduce waste and improve material efficiency.

## KEY HIGHLIGHTS

### ENERGY USE AND TRANSITION

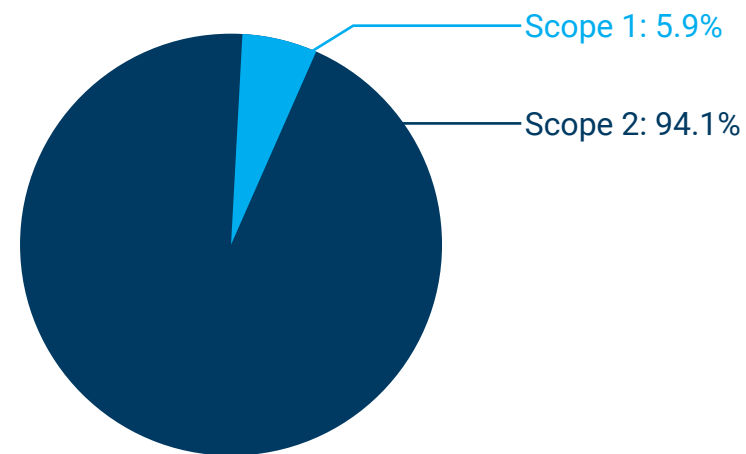
As a telecommunications equipment manufacturer, our operations have a relatively modest environmental footprint. Our efforts to reduce emissions to date include improving energy conservation, material recycling and waste reduction practices.

### SCOPE 1 AND 2 EMISSIONS INVENTORY

In 2023, EXFO improved its climate change data management. For example, we have refined the collection of Scope 1 and 2 greenhouse gas (GHG) emissions at our 14 major sites in Canada, France,

China, India, the United Kingdom, Spain, Finland, Singapore, Taiwan and the United States and established ongoing measurement and tracking protocols with a specialized firm.

#### Breakdown by scope



Unit: kg CO<sub>2</sub> equivalent (CO<sub>2</sub>e)

**Scope 1:** 143,369 kg CO<sub>2</sub>e

**Scope 2:** 2,275,680 kg CO<sub>2</sub>e

We are continuing to refine the boundaries of our inventory and developing specific targets for the most significant sources of emissions.

The result of 1.26 metric tons of CO<sub>2</sub>e per employee will serve as a benchmark by which we will measure our future progress in decarbonizing our operations.

### SCOPE 3 EMISSIONS

Given the nature of our operations, our Scope 3 emissions are significantly higher than those of Scope 1 and 2. Out of all emissions categories related to our upstream and downstream operations, we started by taking stock of those that are significant for EXFO:

- Purchased goods and services
- Upstream transportation for distribution
- Waste generated in the manufacturing process

We've already identified that we can reduce waste from our operations that would otherwise go to a landfill or be incinerated without energy recovery as a promising lead for curbing Scope 3 emissions, both at our manufacturing facilities and other sites.

These measurements will play a critical role in helping EXFO accurately report on our emissions in the future.







### LED LIGHTING

Replacing fluorescent lighting with LEDs was an obvious priority to reduce our Scope 2 emissions. Most of our offices and manufacturing facilities are equipped with LEDs, which have a positive impact on power consumption and employee well-being, through improved lighting quality.

### NETWORK SOLUTIONS THAT REDUCE EMISSIONS

EXFO's network testing, measurement and analytics solutions help our customers keep their networks running smoothly and reduce emissions associated with dispatching repair crews. By pinpointing network problems, EXFO enables network technicians to resolve issues without having to go back to the same location for the same problem. Our centralized testing, monitoring and analytics solutions further reduce the need to deploy repair crews by pinpointing network issues before they cause a service outage.

Even in our software, we strive to provide solutions that minimize waste, especially power consumption. We do this by adopting a micro-service cloud architecture, using modern programming languages, integrating telemetry and investing in DevOps best practices. The convergence of these initiatives creates a synergistic approach to developing and managing software solutions. This approach not only improves software performance and reliability but also addresses environmental concerns by optimizing energy usage and promoting sustainability throughout the software development lifecycle.

Finally, we are helping network operators around the world migrate from energy-intensive copper networks to much more efficient fiber optic networks, reducing power costs and emissions.



## 2024–2026 Action plan

### REDUCE SCOPE 1 AND 2 EMISSIONS

Based on our Scope 1 and 2 emissions inventory, we will reduce these emissions based on the inventory results by:

- Reducing the use of natural gas at all our sites
- Increasing usage of renewable energy, for example by using solar panels to power our Querétaro facility
- Continuing to reduce our global power consumption at our main sites through LED lighting and white roofs
- Identifying actions to reduce our carbon footprint at our Shenzhen and Hadapsar facilities

### MEASURE SCOPE 3 EMISSIONS

We will measure Scope 3 GHG emissions related to:

- Purchased goods and services
- Upstream transportation for distribution
- Waste generated in the manufacturing process

### REDUCE SCOPE 3 EMISSIONS

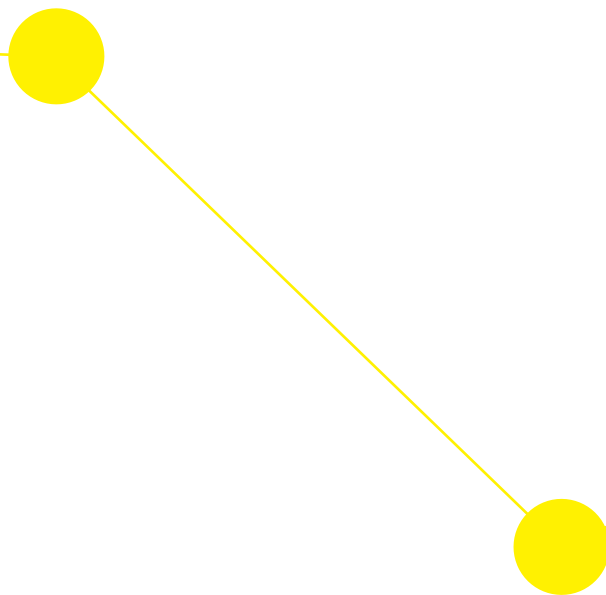
Based on the results of the previous goal, we will identify action plans to reduce sources of inventoried Scope 3 GHG emissions.



# New manufacturing facility

## QUERÉTARO, MEXICO

As part of our business continuity efforts, in 2023, we opened a new manufacturing facility in Querétaro, Mexico. Having a second manufacturing facility in North America will help reduce our Scope 3 carbon footprint by bringing our products closer to our large American customer base.





# Green oases in an industrial environment

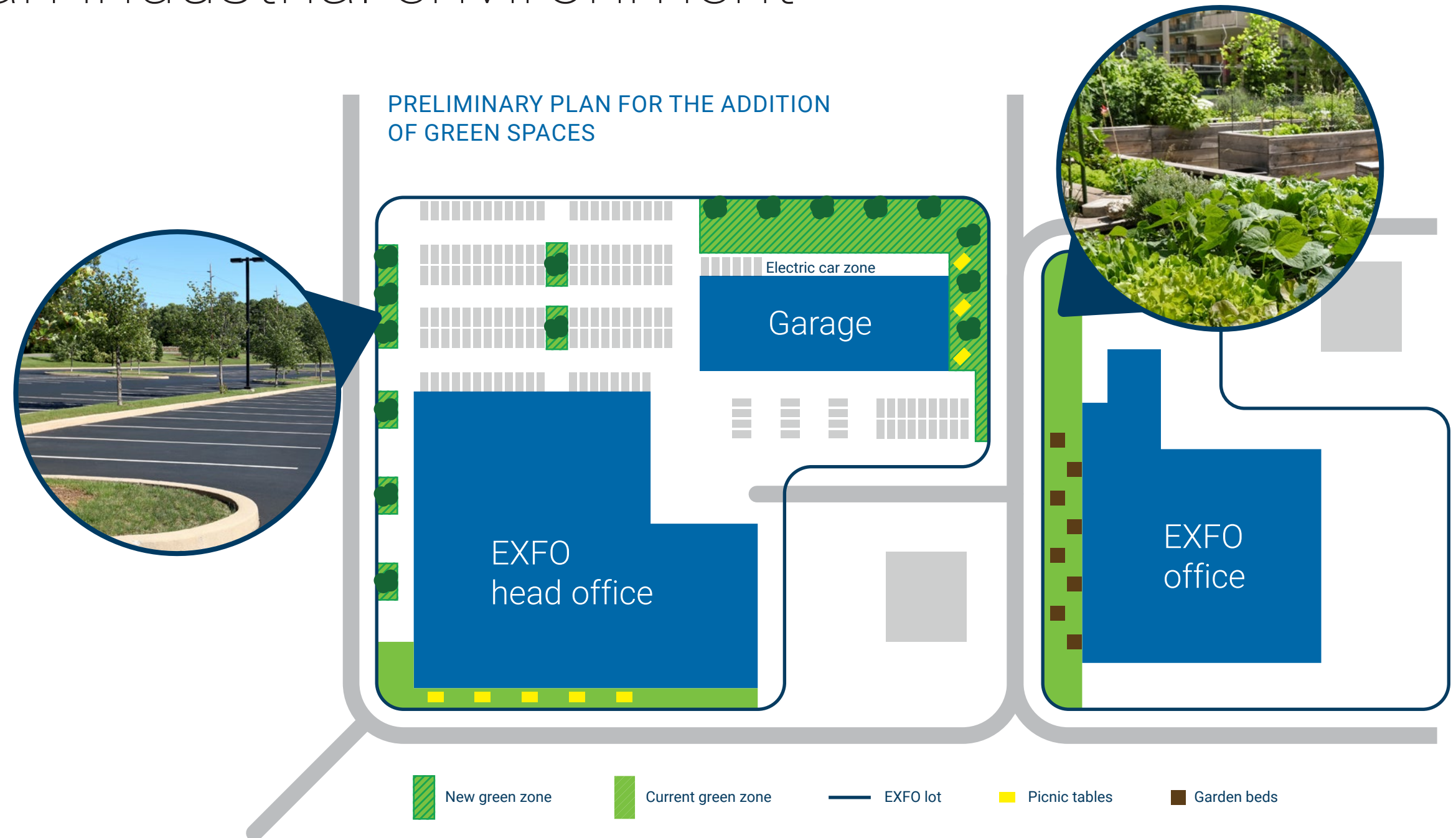
## QUEBEC CITY, CANADA

We understand the important role that green spaces play in mitigating climate change (through direct emissions reduction, heat management and water drainage) and fostering biodiversity and employee and community health. EXFO has gone above and beyond local ordinances to make the industrial grounds around our headquarters greener, and we plan to continue incorporating more green spaces, even turning parking lots into green oases.

One of our green spaces is currently used as a community garden in partnership with a non-profit organization, La Ruche Vanier. EXFO employees tend the garden in the summer and donate the harvest to the local community. Established in 2022, the garden has become an enjoyable place for employees to hang out and for children from local schools and summer camps to learn about gardening and food production.

We're planning to add more green spaces on our grounds next growing season. Through a partnership with La Ruche Vanier and the Conseil régional de l'environnement (CRE), we will add vegetized strips in our parking lot to deflect heat and help drain rainwater and convert an unused zone behind our garage into a mini urban forest.

In other sites where EXFO rents its offices, we've helped local employees coordinate volunteer activities to make their office grounds greener by purchasing seeds and seedlings as part of our Move the World initiative.





# Product lifecycle management

As part of our commitment to reducing our environmental footprint, we are taking concrete steps to assess the total environmental impact of our products and improve on it in the future through eco-design practices.

We believe these initiatives will help reduce the environmental footprint of our products, but they also reflect our ongoing commitment to responsible innovation and informed decision-making for a more sustainable future.

Through eco-design practices, we aim to:

- Increase the use of responsibly sourced, low-environmental-impact materials in future product design
- Optimize waste reduction through products that have minimal packaging, are easy to repair and can be recycled
- Apply a circular economy model to EXFO products (reuse, refurbish, recycle)

## HAZARDOUS SUBSTANCES

EXFO's approach to product design and packaging is to minimize the use of substances recognized internationally as hazardous or of high concern to help limit the amount of these substances in our operations and in the supply chain. EXFO's products in scope strictly comply with global regulations and standards on hazardous substances, including REACH and RoHS.

## DURABLE, REPAIRABLE AND RECYCLABLE

EXFO handheld products are generally designed to last for many years in harsh outdoor environments. That means our customers don't have to replace their equipment as often, reducing waste.

We've also incorporated key features to minimize product returns for repairs or updates and extend product life, such as modular platforms that customers can customize, replaceable batteries, swap-out connectors and downloadable firmware updates. When service is required, EXFO service centers around the world can repair our products, reducing transportation and the associated emissions.

When customers are done with a particular unit, EXFO has a trade-in program. We refurbish used equipment and resell it through our website and partners or donate it to universities and colleges to give our equipment a second and even a third life. This eliminates waste and ensures that our products are used to their materials' full capacity.

When our products reach the end of their life, we encourage our customers to recycle them and provide guidelines for their safe disposal in accordance with the EU's Waste Electrical and Electronic Equipment (WEEE) Directive (Directive 2012/19/EU and its amendments).





## KEY HIGHLIGHTS

## SWAP-OUT OPTICAL PORTS



More than 85% of test and measurement units returned to EXFO for maintenance are returned due to worn-out or faulty ports. A device's optical port can wear out over time or become damaged in a single connection if mated with a dirty or non-compatible connector. Faulty ports can lead to bad measurements and additional truck rolls.

We've recently introduced innovative swap-out optical ports in our D-Series OTDRs to allow technicians to replace faulty or worn-out ports without having to return units for servicing.

## REDUCING PRODUCT WEIGHT AND PAPER WASTE THROUGH DIGITIZATION

Since our baseline year in 2016, we've reduced the amount of paper shipped with our products by nearly 95%. In the past, each new EXFO kit came with customer documents such as user manuals. This contributed to additional weight when shipping our products, as well as a lot of paper and ink. Through our Go Green initiative in 2020, we digitized our customer documents and made them available through QR codes on a customer portal on our website.

## ECO-DESIGN TRAINING

Beginning in 2021, EXFO R&D and product management employees undertook over 150 hours of eco-design training, including a six-month program with the *Institut de développement de produits* (Product Design Institute). This program helped EXFO review the functionality of our products and eventually improve their environmental performance.

## PACKAGING INITIATIVE TO REDUCE OUR FOOTPRINT

Over the last few years, we've reduced and improved our packaging to increase the ratio of packaging from recycled or sustainable sources from 20% in 2020 to 70%. We continue to look for ways to optimize packaging to prevent product damage while reducing waste.



## 2024-2026 Action plan

## CONDUCT A PRODUCT LIFECYCLE ASSESSMENT

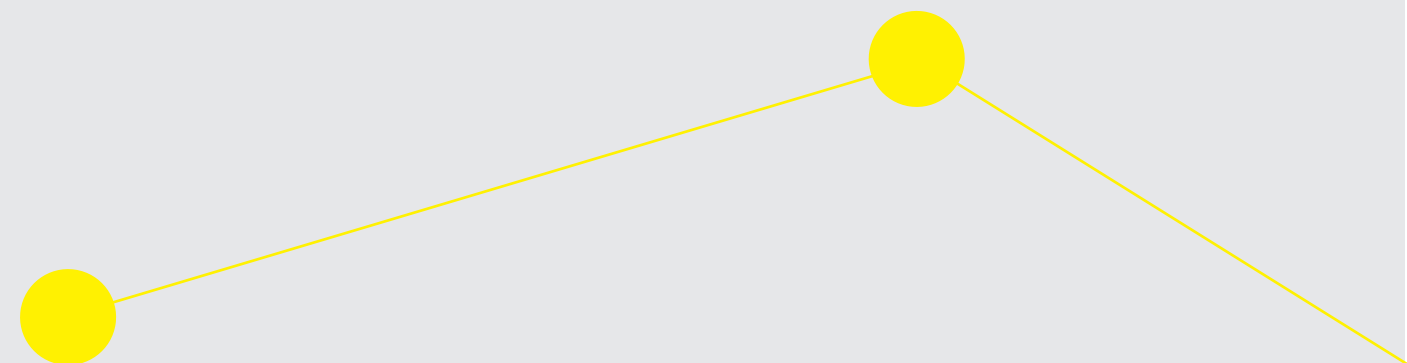
Work with a specialized firm to conduct lifecycle assessments of select existing products and use them to define new design directives to help development teams create innovative new products with a minimal environmental footprint.

## HARMONIZE OUR MANUFACTURING WITH OUR CUSTOMERS' RECYCLING REGULATIONS

EXFO will appraise the end-of-life and recycling programs used by its main customers and ensure that products designed in the future comply with these programs' recycling regulations.

## USE BETTER PACKAGING

Continue initiatives in partnership with our suppliers to increase the percentage of reusable/recyclable and biodegradable materials in their packaging.







# Procurement practices / material sourcing

As part of our ESG journey, we aim to raise the profile of sustainable and ethical sourcing targets in our supplier qualification tools, sending a clear signal throughout our supply chain of the importance we place on responsible sourcing and manufacturing practices.

We also aim to prioritize local sourcing to reduce emissions associated with transportation to our manufacturing facilities.

## KEY HIGHLIGHTS

### WORKING WITH OUR SUPPLIERS TO IMPROVE ESG PERFORMANCE

We work closely with our suppliers to improve their sustainable and ethical manufacturing and packaging practices. We check their compliance with our [Procurement policy and requirements](#) and do direct audits. We also provide resources to help them reduce and improve their packaging.

We are currently reviewing our Procurement Policy to track and increase the number of suppliers who sign on to our [Agent code of conduct](#) and [Supplier terms and conditions](#).

We will also include additional sustainability criteria and increase the prominence of these criteria relative to other non-ESG criteria such as cost, quality and lead time, to encourage more suppliers, especially our new and Tier 1 suppliers, to adopt ethical and sustainable sourcing and manufacturing practices.

### ETHICAL SOURCING

EXFO is committed to combating modern slavery and human trafficking within our organization and supply chain. Our [Policy on modern slavery and human trafficking](#) ensures that all business activities comply with ethical, professional and legal standards. We strictly prohibit the use of forced, bonded or child labor and comply with local, national and international human trafficking laws in all our operations. Our global procurement team performs regular audits to ensure this policy is upheld.

We use materials containing gold, tin, tantalum and tungsten in our electronic products. In accordance with our [Conflict minerals policy](#), since 2013, we have been committed to sourcing materials that do not originate from known conflict sources and we report on our materials containing these minerals, as per the Responsible Minerals Initiative (RMI) standard conflict minerals reporting format.

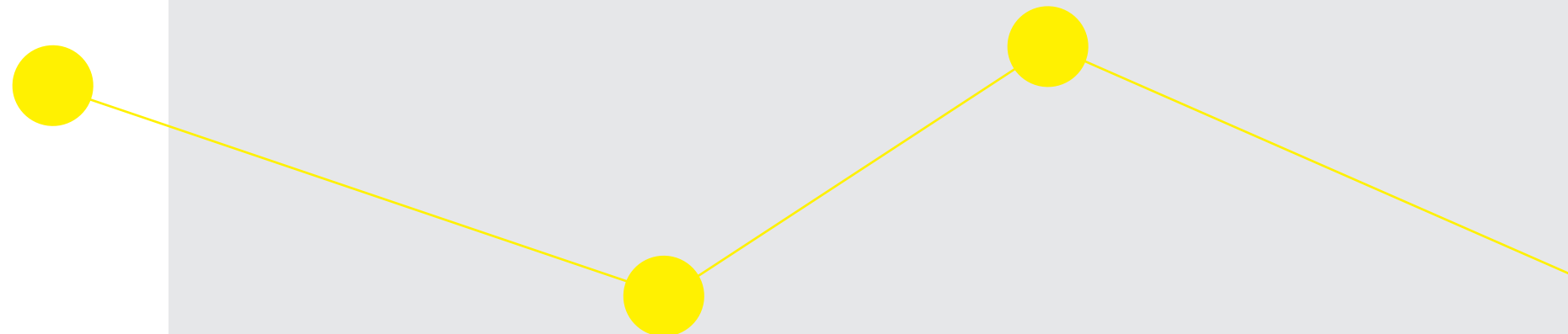
## 2024–2026 Action plan

### RAISE THE PROFILE OF SUSTAINABLE AND ETHICAL SOURCING

We will raise the profile of sustainable and ethical sourcing targets in our supplier qualification tools by increasing the weight of existing criteria and identifying new sustainable and ethical sourcing criteria, including Scope 1 and 2 emissions reduction and sustainable packaging practices (minimal, reusable, recyclable, recycled or biodegradable packaging).

### ONBOARD SUPPLIERS ON OUR NEW QUALIFICATION TOOLS

We will onboard all new suppliers using these new qualification tools and progressively integrate existing Tier 1 suppliers.











# Governance pillar

As a key provider of test, measurement and analytics solutions to the telecommunications market, EXFO is a linchpin in the long value chain that makes up the connected world. A strong governance framework is essential to ensuring that EXFO operates efficiently as a company and is sustainable, accountable and transparent. It's also necessary to demonstrate our commitment to protecting our employees', partners' and customers' information and mitigating their risks from both a business and security perspective.

## OUR POLICIES

[EXFO DEI statement](#)

[Agent code of conduct](#)

[Ethics and business conduct](#)

[Code of ethics of our principal executive officer and senior financial officers](#)

[Ethics and governance webpage](#)

[Statement of reporting ethical violations](#)

[Board of directors' corporate governance guidelines](#)

[Personal information protection policy](#)

[Cookie policy](#)

## ESG GOVERNANCE

In 2023, we began laying the foundation for our ESG program by carrying out a risk analysis and setting up an ESG information system.

### ESG risk and continuity management

As part of EXFO's ESG journey, we conducted a thorough analysis of ESG risks. We assigned risk bearers for each identified risk category, ensuring clear accountability and oversight. Currently, we are integrating ESG risks within our broader risk management practice and developing and implementing mitigation measures aligned with EXFO's ESG vision and commitment to responsible business practices. This includes stringent adherence to ethical standards, industry regulations and sustainability initiatives, alongside proactive engagement with stakeholders to address social and environmental risks.

To this end, EXFO conducts an annual review of risks, evaluating emerging challenges and opportunities, recalibrating mitigation strategies and ensuring continuous improvement. This disciplined approach underscores EXFO's dedication to fostering long-term resilience and sustainability across its operations and stakeholder engagements.

## ESG information system

An ESG Data Committee has been established to help define the key performance indicators for each ESG objective. We're in the process of defining these KPIs and creating relevant dashboards to track progress against our goals.

## EXFO management system

EXFO's management system, which is ISO 9001:2015 certified, influences our corporate governance and establishes the framework by which our policies, procedures and practices are structured. The impact of effective management systems on corporate governance and stakeholders is pivotal, fostering a culture of responsibility, integrity and mutual value creation that is essential for sustainable business growth and positive stakeholder outcomes.

As part of this certification, eight EXFO sites worldwide were audited in the last two years. The chief auditor highlighted some of EXFO's strengths:

- Demonstrated commitment by management to continually improving their processes
- Consistent alignment with process requirements and knowledge of process requirements by all interviewees
- Qualified, experienced and knowledgeable employees
- Healthy and positive work culture demonstrated by employee engagement
- EXFO's risk management



In governance, **trust** is the currency that drives accountability, transparency and ethical stewardship. It's the cornerstone upon which our performance and sustainable relationships are built, fostering a foundation of integrity and reliability.

- Germain Lamonde  
Founder and Executive Chairman



## BUSINESS CONDUCT AND GLOBAL COMPLIANCE

EXFO is committed to maintaining the highest standards of honesty and accountability, and to ensuring that the company is compliant with anti-corruption laws that apply to our activities worldwide.

### ESG reporting

We understand the need to incorporate external standards into our ESG reporting journey and are working to align our framework with external reporting standards and regulations, whether requested by customers, such as ECOvadis, or government entities, such as the EU's Corporate Sustainability Reporting Directive (CSRD).

### Normalizing ethical behavior

Our [Ethics and business conduct policy](#) demonstrates our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies that all employees are expected to follow. This reflects our dedication to customers, partners, shareholders and employees by demonstrating that integrity and fairness are key and that all our actions are governed by an exacting sense of duty and professional ethics.

### Countering corruption

EXFO does not tolerate any form of corruption by its employees or third parties working with or on behalf of EXFO. [EXFO's agent code of conduct](#) details how to comply with global anti-corruption laws. If employees, suppliers or partners are unsure of the proper course of action or whether something constitutes corruption, we encourage them to report it.

We hold anti-corruption training to educate employees about existing regulations and explain how to handle ethically challenging scenarios. We also ensure that new hires complete the training as part of the onboarding process.

### Reporting concerns

Any interested party with ethical concerns is encouraged to report them to EXFO by submitting the designated form (available on our [Ethics and governance webpage](#)) directly online or by mail or email. Every alleged illegal or unethical behavior reported will be thoroughly investigated by EXFO's Director of the Board and EXFO's Legal Counsel with the cooperation of the appropriate manager and the person alleging the violation unless the submission was made anonymously. Information collected during the investigation will be shared only with those who have a business-related "need to know." Unless the report is filed anonymously, the result of any investigation will be communicated to the person alleging the violation.

When they begin working for EXFO, all employees are trained on the [Statement of reporting ethical violations](#). EXFO employees who become aware of any improper or illegal action are required to report the situation to their manager or supervisor or directly to EXFO's General Counsel or a Director of the Board. The Director may discuss the matter with EXFO's General Counsel, independent advisors, non-management directors or EXFO's management, or may take other action in good faith, according to their best judgment and discretion.



Think  
AI first

### TRAILBLAZING WITH AI

At EXFO, we actively use AI as part of our analytics solutions to improve our organizational performance. In recent months, generative AI tools have emerged with promising applications for bolstering productivity across our operations. We recognize the generative potential of AI and encourage its use as a general productivity tool, while educating employees on how to use generative AI in keeping with data privacy, intellectual property and security best practices. To ensure responsible AI use, we've developed an internal framework with guidelines, protocols and ethical considerations governing AI development and deployment at EXFO. Emphasizing transparency, fairness and data privacy, the framework aligns AI applications with EXFO's commitment to reliability and quality while mitigating potential risks. By advocating AI adoption and implementing a comprehensive internal framework, EXFO leads innovation while prioritizing ethical AI use to the benefit of customers, employees and stakeholders.





# Information security

EXFO aims to maintain a high level of information security to prevent operational disruptions caused by cyber threats such as data breaches, system hacks and other cybersecurity incidents. To that end, we are committed to complying with the rigorous security and performance standards set forth by ISO 27001 (through a globally recognized information security management system), as well as other product- and service-specific standards, such as Systems and Organizations Controls 2 (SOC 2), to stay abreast of potential threats to protect our stakeholders' information and operations.

## STRENGTHENING OUR CYBER-DEFENSE CAPABILITIES

### Information security governance structure

EXFO has a robust governance structure to manage information security at the highest level, involving key leaders, such as the Information Security Director, Chief Information Officer (CIO) and CEO. The leadership team takes a hands-on approach to proactively monitor cybersecurity risks and safeguard sensitive information. We have implemented a comprehensive security program aligned with ISO 27001 standards to ensure business continuity. To provide crucial support, an external Security Operations Center (SOC) continuously monitors activities on EXFO's corporate network. Our security and IT teams also conduct regular risk assessments in an ongoing effort to monitor and enhance EXFO's

security posture, in keeping with EXFO's commitment to maintaining a secure environment and mitigating potential cybersecurity threats.

### KEY HIGHLIGHTS

#### ANTI-PHISHING AWARENESS CAMPAIGN AND CYBERATTACK TRAINING

Through social engineering tactics, employees are often the targets of cyberattacks aimed at companies. To help counter this risk, EXFO initiated the "Don't Take the Bait" campaign in 2021. It included company-wide training sessions on phishing tactics, payment scams and how to identify suspicious domains in malicious emails. Building on the success of this first campaign, we've implemented continuous mandatory cybersecurity awareness training for all employees to help them recognize, report and address fraudulent email activities, so they are better equipped to foil potential cyber threats. This clearly illustrates our commitment to fortifying our defenses against cyber threats by fostering a culture of vigilance to protect sensitive information and critical systems from malicious attacks.

## 2024–2026 Action plan

### MEETING INFORMATION SECURITY STANDARDS

In line with our commitment to preventing operational disruptions from cyber threats, we will enhance information security by meeting industry-specific security standards, prioritizing our customers' needs and executing a comprehensive compliance strategy.







# Data privacy

In our connected world, our customers and employees have very high expectations when it comes to security and data privacy. We understand that cyber threats are all around us, and we are committed to implementing rigorous processes to secure the personal data we process and protect people's rights to privacy in accordance with applicable legislation.

## PROTECTING INDIVIDUALS' PRIVACY

Safeguarding the privacy of the personal information we collect is of critical concern to EXFO. Our [Personal information protection policy](#) outlines key principles to provide comprehensive protection throughout the data lifecycle, mitigating the risk of data breaches and ensuring compliance with relevant regulations like the General Data Protection Regulation (GDPR) and Quebec's privacy laws.

EXFO's business model does not require the collection or use of massive amounts of personal information, and we recognize individuals' right to control their personal information. Our privacy notice outlines EXFO's privacy policies and practices for protecting the personal information we collect, store, use, disclose and generally "process" in the course of our business. Our [Cookie policy](#) describes how and why cookies are used on EXFO websites, mobile and software applications, and explains the options regarding the use of cookies and the information collected.

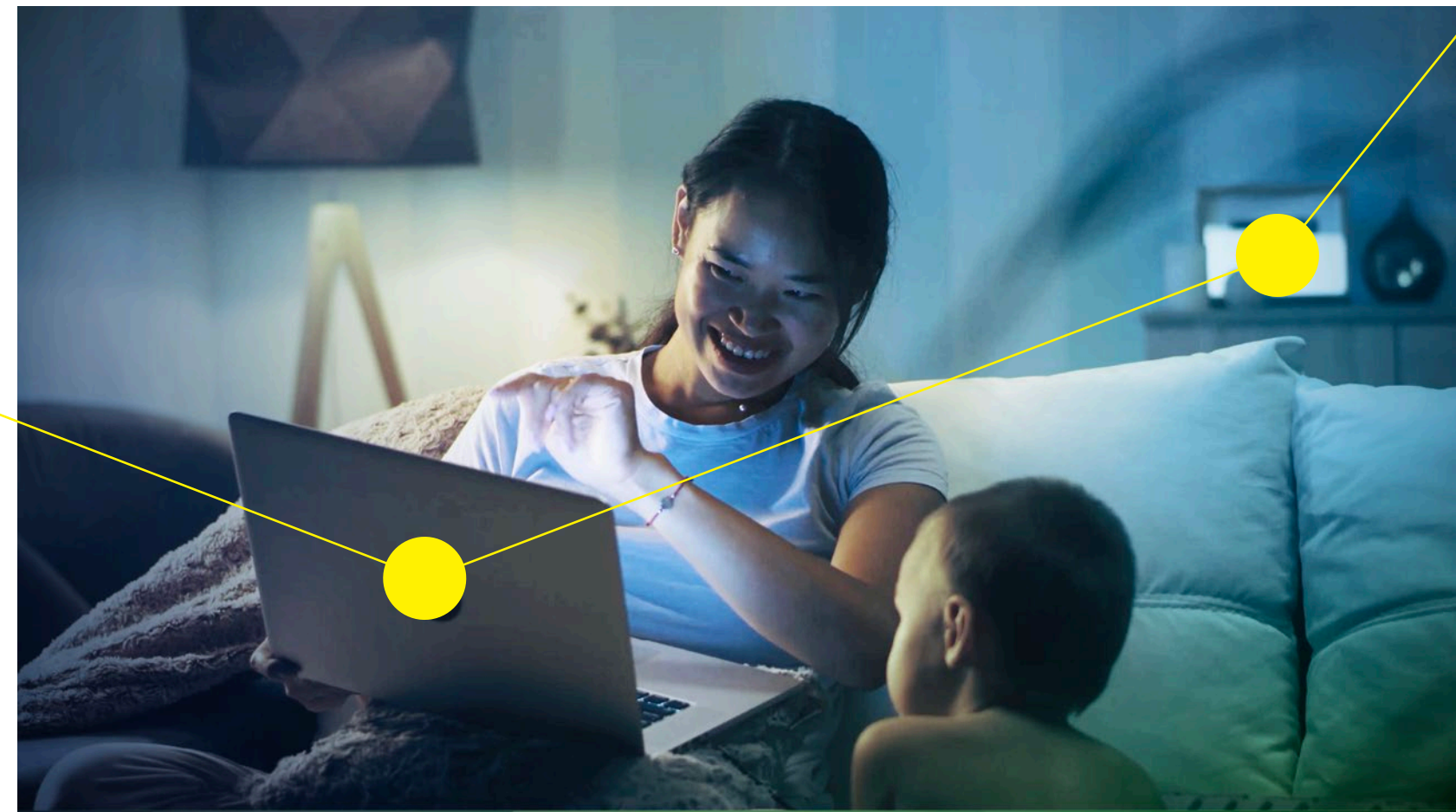
We've established a Data Protection Committee that is overseen by EXFO leadership and reports to the CEO. This committee ensures that we comply with current data protection legislation and raises awareness within EXFO through training on personal information privacy. In cases where we work on behalf of our customers, we have also implemented rigorous processes to protect their customers' information.

We believe our commitment to personal information privacy fosters trust through transparent handling, clearly defined employee responsibilities and adherence to established data privacy practices.

## 2024–2026 Action plan

### IMPROVE COMPLIANCE WITH DATA PRIVACY LEGISLATION

We continuously align our data privacy practices to comply with current and future data privacy legislation. Our focus in the coming years will be on improving our processes to comply with the evolving requirements set forth by Quebec's *Act respecting the protection of personal information* and ensuring that new products, services and processes comply with the GDPR.







# Product security

We are committed to ensuring that our products cannot be used as a gateway for cyberattacks. We implement secure development practices and continually monitor and improve product security to mitigate potential risks.

## DECENTRALIZED PRODUCT SECURITY OWNERSHIP

Product security is assessed as part of our risk management activities. Our product security governance model places ownership directly with our development teams. Dedicated product security champions lead the execution of our product security program within each development unit, implementing industry-required security standards and best practices, such as SOC 2. This decentralized structure allows for seamless integration of security considerations throughout the product lifecycle.

## VULNERABILITY DISCLOSURE

Despite our ongoing efforts to prevent security vulnerabilities in EXFO equipment and solutions, product security risks are constantly evolving. We focus our efforts on improving the security level of our products and solutions. The security team works hand in hand with product security champions to provide oversight, support and independent security expertise. The team also manages the coordinated vulnerability disclosure program to notify customers and other stakeholders of any issues.

## SAFE USE OF PRODUCTS

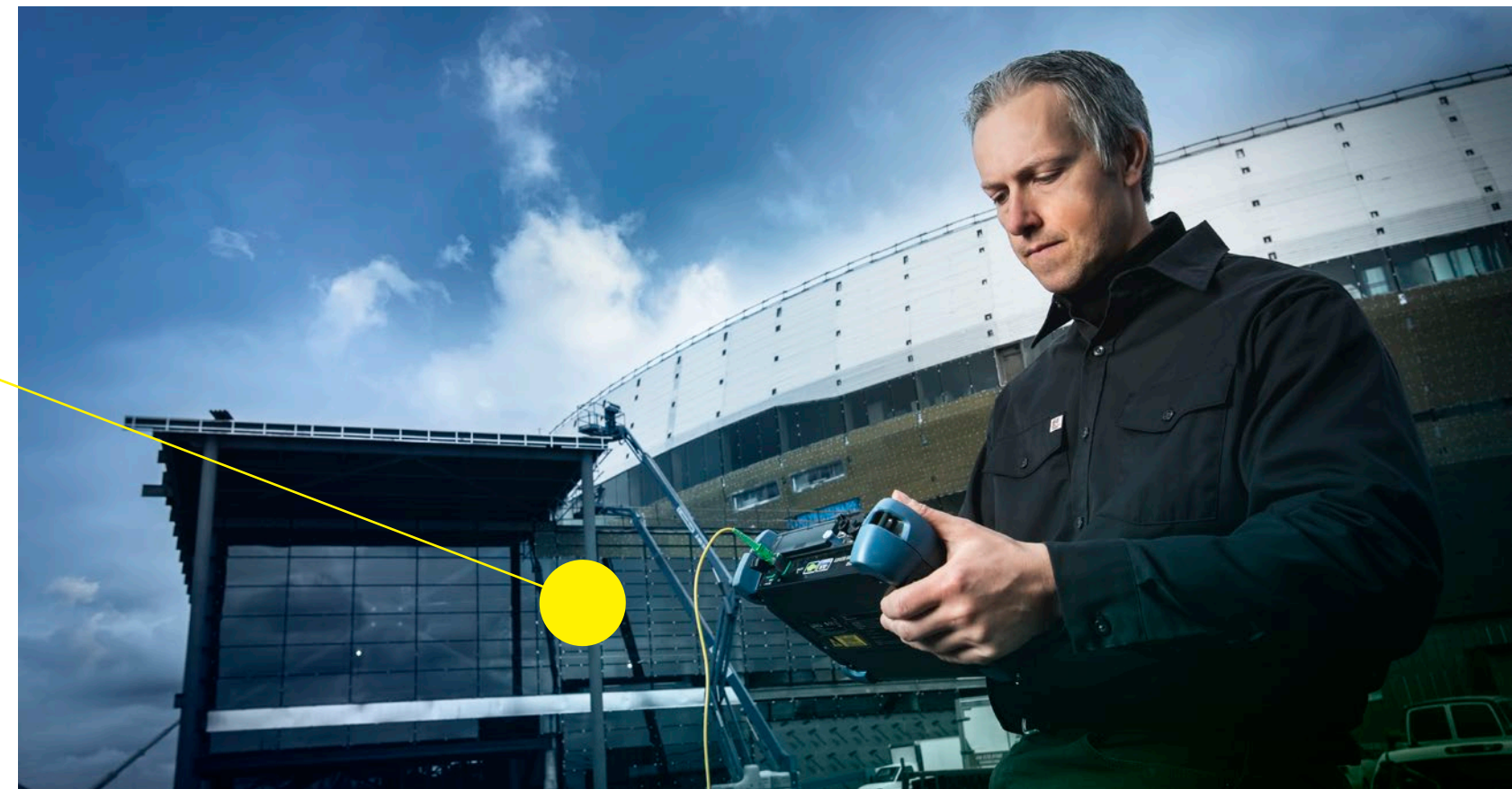
We provide our customers with resources and information on how to properly install and use EXFO products and solutions. We also actively monitor our products for vulnerabilities and warn customers whenever a potential breach is found.

## 2024–2026 Action plan

### CONTINUOUSLY IMPROVE THE SECURITY OF OUR PRODUCTS

We will implement a strategy focused on improving our development practices, fostering a security-conscious culture and maintaining active vigilance. Our holistic approach includes upholding rigorous development processes and protecting the security of our development environments.

We address vulnerabilities at every stage of the development lifecycle, train our developers on the latest secure coding practices and proactively watch for emerging threats.







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# Appendix

## 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 14 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 employees, their contribution is expected to be negligible, and was therefore excluded.

Reported GHG emissions include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) 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 21 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	FY2022*
<b>Scope 1 (mtCO<sub>2</sub>e)</b>	
Total Scope 1 emissions	143.35
CO <sub>2</sub>	131.24
CH <sub>4</sub>	<1
N <sub>2</sub> O	<1
HFCs	<1
<b>Scope 2 (mtCO<sub>2</sub>e)</b>	
Location based	2,419.05
Market based	2,426.07
<b>Scope 1 and Scope 2 (location-based) intensity</b>	
mtCO <sub>2</sub> e per full-time equivalent employee	1.26

\*FY2022 September 1, 2021, to August 31, 2022