



Xplore Inc.

Fighting Against Forced and Child Labour Report

For Fiscal Year 2024

Last Modified: May 2025

1.0 Introduction

Xplore Inc. and Xplore Fibre L.P.'s (together, "Xplore") supplier selection and management policies are designed to support relationships with suppliers who manufacture and source responsibly, while adhering to international labour and human rights standards and laws. We seek to do business with suppliers and other business partners who demonstrate dedication to ethical, sustainable, and responsible business practices.

Xplore denounces all forms of modern slavery, including child labour and forced labour. This report describes the activities that Xplore Inc. has taken from 1 January 2024 to 31 December 2024 ("the Reporting Period") to identify, prevent, and reduce the risks of forced labour and child labour in our supply chains.

The information provided in this report applies to Xplore Inc. and Xplore Fibre L.P. Together, these two entities are the only reporting entities within the Xplore group of corporate entities.

2.0 Our company

Founded in small-town Canada, Xplore is dedicated to bringing fast, reliable Internet to Canadians in rural communities. With our world-class fibre, 5G fixed wireless, and next-generation satellite infrastructure, combined with a network of local dealers and around-the-clock Canadian-based tech support, you get the Internet connection you need and the peace of mind knowing you're supported.

Corporate Structure and Activities

Xplore Inc. is a federally registered private corporation, with its registered head office in Markham Ontario. The Xplore group of companies includes two operating entities: Xplore Inc. and Xplore Fibre L.P. Xplore Fibre L.P. is an indirectly wholly-owned subsidiary of Xplore Inc. These entities and other corporate entities within the group are all ultimately controlled by the same company. Together, the corporate entities build and operate fibre, fixed wireless, and satellite networks for the purposes of offering high-speed internet, voice over IP, and television services to rural consumers and businesses. We offer installation for our communications services, either directly or through third parties, and provide Canadian-based customer support for all our services.



Limited Risk of Forced and Child Labour in our Business

Xplore considers that the risk of forced labour and child labour occurring within our own business is low. Xplore is a Canadian company and all operations occur within the territory of Canada. According to the Global Slavery Index, in 2023, Canada had a below average vulnerability for modern slavery, meaning that the risk of forced labour and child labour occurring is low.

All Xplore workplaces are governed by Canadian labour and employment laws and standards. As described further below, the company has robust policies and training in place to enforce company standards respecting workplace safety, equitable treatment of employees, and the ethical conduct of business.

3.0 Our supply chains

Xplore procures certain products as part of delivering our services. A limited number of these goods are imported directly from abroad. Xplore Inc. and Xplore Fibre L.P. are the only importers of record for products imported by the Xplore group.

The majority of goods imported by Xplore are electronic products that we (1) provide to our customers as part of our services, or (2) use internally to provide broadband, voice over IP, and television services. These goods include aerials, routers, switches, modems, telephone sets, cables, and fittings, among other products.

We procure these goods almost exclusively from large, reputable suppliers that have a strong presence in the Canadian telecommunications sector. The majority of goods we import are from China and Southeast Asia. Together with imports from the United States and Mexico, these products represented more than 90 percent of our total imports by value in the Reporting Period.¹

Xplore's import activities may carry a risk of forced labour and/or child labour, particularly in China and other South-East Asian countries where human rights and labour protections may

¹ In 2023, the most recent period for which data is available, the Global Slavery Index gave the countries we import from the following modern slavery prevalence ratings (per 1000 people):

- China: 4
- Thailand: 5.7
- Japan: 1.1
- Taiwan: 1.7
- Malaysia: 6.3
- USA: 3.3
- Mexico: 6.6



not be as robust as in North America. The United States Bureau of International Labor Affairs flags that, of those countries, China is likely to produce electronics with forced labour and child labour. The steps we have taken to assess and mitigate the risk of forced labour and child labour in our supply chains are outlined below.

4.0 How we are addressing the risk of forced labour and child labour

Xplore maintains a multi-pronged approach to assess the risk of forced labour and child labour in our workplace and supply chains.

Our management team is responsible for assessing the effectiveness of these measures. Each year, we review and evaluate the adequacy of these controls and engage with suppliers on a go-forward basis to assess compliance with both the Supplier Code of Conduct and other relevant policies.

Internal Corporate Policies and Procedures

Xplore maintains a Code of Conduct outlining the company's core values, including the standards of behaviour that all employees are expected to uphold. The Code of Conduct provides employees with clear expectations respecting their conduct in all aspects of their work including maintaining a safe workplace, interacting respectfully and inclusively with colleagues and partners, and respectful interactions with colleagues, and conducting business ethically with external partners and suppliers.

The Code of Conduct is reviewed on a yearly basis by key Xplore management to ensure that the content remains up to date reflective of Xplore Inc.'s core values.

All employees are required to participate in yearly interactive training to ensure that they have read and understand the company's Code of Conduct. New employees are required to review and sign off on the Code of Conduct as part of the company's onboarding process.

Supplier Code of Conduct

In 2024, Xplore developed and implemented a Supplier Code of Conduct which describes the standards Xplore expects its suppliers to uphold with respect to labour, ethical, health and safety, and environmental principles.

The Code of Conduct requires that our suppliers adhere to internationally accepted laws and standards governing working conditions including the core conventions of the *International Labour Organization* (ILO). It prohibits the use of forced labour and child labour in any stage of our suppliers' business operations. Should Xplore have reasonable grounds to believe that a company we are doing business with is not complying with the labour and human rights



principles outlined in this code either within its own business or in its supply chain, Xplore has the right to engage a third party to conduct an assessment or audit of that company's supply chain at that company's expense.

All suppliers are required to review and agree to the contents of the Code of Conduct as part of our procurement process. Key employees who participate in or manage Xplore's procurement activities have been advised of the requirements in the Supplier Code of Conduct, including its forced labour and child labour components.

Assessment of Supply Chain Risk

Xplore assesses the risk of forced labour and child labour in its supply chain by requiring all suppliers to provide certain information regarding their own operations at the time of onboarding. For example, Xplore will request to review the supplier's own codes of conduct, supply chain mapping, and commitments to international labour and procurement policies. Where Xplore determines that a potential supplier's manufacturing or procurement practices pose a risk of potential illegal or unethical labour practices, additional scrutiny occurs to determine that entity's suitability as a supply partner.

In preparing this report, Xplore asked for and reviewed updated documentation from suppliers that was applicable during the Reporting Period.

Remediation

Xplore did not identify any risks of forced labour or child labour in its own business or its supply chain during the Reporting Year. Therefore, no remedial measures were undertaken, including measures to remediate the loss of income to the most vulnerable families.

Reporting Non-Compliance

We have reporting mechanisms in place so that employees and external stakeholders can report unethical behaviour, including our Employee Code of Conduct and Supplier Code of Conduct.

Employees, contract employees, and independent contractors can report any actual or perceived misconduct through a confidential and anonymous online reporting mechanism administered by a third party (clearviewconnects.com). When a complaint is received, it is assigned to the appropriate Xplore personnel, thoroughly investigated, and a response is delivered to the person who lodged the complaint.

Stakeholders who do not have access to this confidential reporting system can report actual or perceived misconduct, and in particular violations of our Supplier Code of Conduct, to Xplore directly at procurement@xplore.ca.



5.0 Approval and Attestation

This report applies to Xplore Inc. and Xplore Fibre L.P., which are subject to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. This report has been approved by Xplore's Board of Directors pursuant to paragraph 11(4)(b)(ii) of the Act.

I have the authority to bind Xplore Inc. I make the below attestation in my capacity as a director of the Board of Directors of Xplore Inc. and for and on behalf of the Board of Directors of Xplore Inc.

I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

A handwritten signature in black ink, appearing to read "B. Johnston".

Brent Johnston

Chief Executive Officer

I have the authority to bind Xplore Fibre L.P. I make the below attestation in my capacity as a director of the Board of Directors of Xplore Spectrum Holdings Inc., the general partner of Xplore Fibre L.P. and for and on behalf of the Board of Directors of Xplore Inc.

I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

A handwritten signature in black ink, appearing to read "Geoff Lowe".

Geoff Lowe

President & Chief Financial Officer