



**2025 FORCED AND CHILD LABOUR REPORT**



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This report is filed by Xtract One Technologies Inc. (“Xtract” or the “Company”) under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”). The Act came into force in Canada on January 1, 2024. Its goal is to implement Canada’s international commitment to contribute to the fight against forced labour and child labour through the imposition of reporting obligations on entities producing goods in Canada or elsewhere or importing goods produced outside Canada. The Act is part of a broader global effort to prevent and combat forced and child labour, an effort that the Company is committed to supporting.

We acknowledge our responsibility to combat forced and child labour and are committed to upholding fundamental human rights and ethical labour practices both within our operations and supply chain. This report reflects the Company’s commitment to implementing and endorsing responsible business practices to prevent and reduce the risk of forced or child labour in our supply chains.

This report sets out actions taken by the Company during the financial year ended July 31, 2025. In accordance with the Act, this report is published on the Company’s website: <https://xtractone.com/>.

## OUR BUSINESS

Xtract is based in Toronto, Ontario, and is an industry-leading provider of remote threat detection solutions. While the Company’s threat detection solutions are primarily software-based, the solutions may also include a hardware component deployed to each customer for use in their facility.

The Company is a reporting issuer in all provinces and territories of Canada, except the province of Québec. The Company’s common shares are listed for trading on the TSX under the trading symbol “XTRA”, on the OTCQX under the trading symbol “XTRAF”, and on the Frankfurt Stock Exchange under the trading symbol “0PL”. The Company was incorporated on May 11, 2010, under the *Business Corporations Act* (British Columbia). The Company operates its business through the following wholly owned subsidiaries: Xtract One Detection Ltd., Patriot One (UK) Limited, Xtract One (US) Technologies Inc., EhEye Inc. and Xtract Technologies Inc. On a consolidated basis, as at July 31, 2025, the Company had 73 employees.

We procure a significant proportion of the input components of our hardware from a range of distributors throughout North America. Domestic and imported components for the hardware component of our threat detection solutions are principally assembled by our contract manufacturers in Ontario, Canada, and distributed nationally and internationally to customers.

The Company is proud of our reputation as an honest, ethical, and responsible industry participant. Our integrity has helped us become a leading safety technology solution, active in a number of Tier-1 facilities throughout North America and globally. The Company has standard supply chain and procurement practices in place and relies upon each colleague to act with integrity, use good judgment, and act appropriately in any given situation. We strive to foster a culture of honesty, accountability, and compliance.

## **POLICIES AND DUE DILIGENCE PROCESSES**

As outlined in our HR Employee Handbook, all Canadian employees must provide supporting documentation confirming their identity and eligibility to legally work for the Company in Canada. The Company does not allow the use of child, compulsory or forced labor, trafficking in persons, or any acts associated with modern slavery for any purpose. In addition to our HR Employee Handbook, we have several supporting policies and processes in place to protect against forced and child labour in our operations and supply chains, namely:

### **1. Whistleblower Policy**

All Company employees and contractors have access to the Company's Whistleblower Policy (available through the Company's internal HR management software and on the Company's website). The Company's Whistleblower Policy instructs participants to report problematic operational practices directly to the Company's external legal counsel for consideration and allows for submission on an anonymous basis.

### **2. Human Rights Policy**

The Company's Human Right Policy outlines our commitment to promoting and respecting human rights throughout the Company's operations. We contribute to the realization of human rights through consistent compliance with laws and regulations wherever we have operations, including all applicable wage, hour, and labour laws and regulations.

### **3. Code of Business Conduct and Ethics**

The Company's Code of Business Conduct and Ethics specifically emphasizes compliance with applicable laws, rules, regulations and other legal requirements applicable wherever the Company is carrying on business. This includes, explicitly, laws prohibiting human trafficking and the use of forced and child labour, including the Act. The Company's Code of Business Conduct and Ethics further mandates that employees must report any suspected violations of such laws and cooperate with the Company's efforts to ensure compliance with such laws, and encourages employees to promote ethical behavior and specifically prohibits management retaliation in respect of the reporting of the same. As with the Whistleblower Policy, the Company's Code of Business Conduct and Ethics provides the ability to report concerns directly to the Company's external legal counsel, including anonymously if desired.

### **4. Mandatory Training**

The Company's mandatory training for all newly hired employees has been designed to educate employees about forced and child labour regulations and to ensure that employees understand the Company's commitment to upholding fundamental human rights and ethical labour practices both within the Company's operations and supply chain. The Company continues to educate new employees through mandatory training in forced and child labour as a part of its hiring and onboarding process.

## **SUPPLY CHAINS**

The Company's SmartGateway and Xtract One Gateway products are both manufactured by third-party manufacturers in Cornwall, Ontario and Ottawa, Ontario respectively, and subject in every respect to the legal and regulatory prohibitions on forced and child labour applicable in Ontario and Canada. Both prime manufacturing partners were selected on the basis of having a congruent set of policies covering business conduct and ethics, prohibition of forced and child labour, whistleblower procedures, environmental, social and governance (ESG) matters and other policies and best practices. Approximately 75% of the labour-plus-materials value of the Company's hardware products are North American, and any external material inputs are sourced through distributors based in Canada or the United States, similarly subject to applicable laws and regulations prohibiting forced or child labour. The extension of our supply chains by third-party contractors with subcontractors, particularly if done unilaterally and involving regions that are not subject to similar laws and regulations, potentially creates a risk of forced labour or child labour being used in our supply chains. The Company conducts due diligence and enters into contractual arrangements to assess and manage, respectively, that risk in its supply chains. We are committed to working with current and prospective suppliers to ensure a clear understanding and adherence to ethical business practices.

## **FORCED LABOUR AND CHILD LABOUR RISKS**

To date, the Company's risk management approach has focused on risks to workers in our own operations, including respecting the safety and human rights of workers.

We acknowledge that understanding the risks of forced labour and child labour in our supply chains is critical to targeting our actions and engagement with our suppliers. In line with the UN Guiding Principles, identifying and prioritizing the most salient risks connected to our operations and business relationships is key to preventing and mitigating forced labour and child labour.

We are committed to improving our understanding of the risks in our supply chain, including by engaging in ESG due diligence comprised of research, mapping our supply chain against publicly available information, and seeking feedback from workers, manufacturers, distributors, and communities.

We recognize risks of forced labour and child labour in the global supply chain include vulnerable populations, such as domestic and foreign migrant workers, temporary workers, and young workers. Additionally, we acknowledge region-specific risks, such as countries with large populations of migrant workers, weaker employment law enforcement, or where prevalence of modern slavery has been documented.

## **REMEDITAITON MEASURES**

The Company has not identified significant risks related to forced or child labour in its supply chains and has not identified forced labour or child labour in its own direct operations. As no instances of forced labour or child labour in our activities and supply chains have been identified, no measures were taken to remediate the loss of income to the most vulnerable families that result from measures taken to eliminate the use of forced labour and child labour.

## **TRAINING**

All Company employees are required to review and agree to abide by the provisions of the Company's HR Employee Handbook and Code of Business Conduct and Ethics in connection

with their engagement by the Company. Additionally, the Whistleblower Policy provides further details in respect of the manner in which any employee may raise a concern (as more particularly described above).

Regarding training for Fiscal 2026, the Company will:

- Continue with mandatory review and acknowledgment of the HR Employee Handbook and Code of Business Conduct and Ethics for all employees.
- Review all policies regularly to ensure ongoing compliance with human rights and regulations related to forced and child labour.
- Continue to maintain a training program for all new employees as part of the Company's hiring and onboarding processes.

## **ASSESSING EFFECTIVENESS**

To assess the effectiveness of our approach, including human rights, we rely on input from relevant internal and external stakeholders, including investors, customers, suppliers, employees, contractors and community members.

To date, we have had no complaints made under the Whistleblower Policy and have not identified any forced or child labour in our organization or supply chain.

## **PLANS FOR 2026**

In Fiscal 2026, we plan to undertake the following actions to further deepen and strengthen our work to combat forced and child labour in our business and supply chains:

- Due diligence: Continue to incorporate evaluation activities targeting forced labour and child labour risks into periodic supplier review processes for new and existing suppliers.

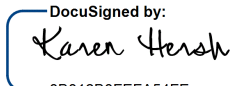
## **APPROVAL AND ATTESTATION**

This report was approved by the Board of Directors of Xtract One Technologies Ltd. for the Fiscal year ended July 31, 2025, in accordance with subparagraph 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I hereby attest that I have reviewed the information contained in the report for the entity listed above. To the best of my knowledge, and after having exercised due diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

May 31, 2026

## **XTRACT ONE TECHNOLOGIES INC.**

Per:   
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Karen Hersh, CFO, on behalf of the Board of Directors