



Modern Slavery Report 2023

NTG Clarity Networks Inc.

This Modern Slavery Report (the “**Report**”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada)(the “**Act**”). This Report is made on behalf of NTG Clarity Networks Inc. (“**NTG**” or the “**Company**”).

1. Introduction

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a Canadian technology company, NTG recognizes the important role that we have in ensuring that our operations, which are predominately in Canada, Egypt, Saudi Arabia and Oman, and the supply chains that support our operations, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during fiscal 2023 to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by NTG or of goods imported into Canada by NTG.

2. Our Business

NTG is a technology company headquartered in Markham, Ontario, Canada. We are engaged in providing software, networking and IT solutions to large enterprises including financial institutions and network services providers. NTG carries on business through its subsidiaries, NTG Egypt Advanced Software and NTG Clarity Networks U.S. Inc. The Company has a total of approximately 750 employees.

NTG’s supply chain includes businesses that supply goods and services to our organization, primarily encompassing various vendors, suppliers, contractors, and subcontractors involved in the procurement of goods and services necessary for our operations in the information technology services industry.

In total, we procure goods and services from approximately 4 suppliers and contractors. We provide professional services that include software development, in the telecom, IT, data transformation fields. Our customers are primarily in the telecom, finance and banking industries and are located in Canada, Saudi Arabia, Oman and Egypt.

Additional information regarding the corporate structure, operations and the industry conditions relating to NTG is available in the Company’s Annual Report for the year ended December 31,

2023, which can be accessed on its website at www.ntgclarity.com or on SEDAR+ at www.sedarplus.ca.

3. Our Policies

Policies

Through our organizational and governance policies we communicate our values and expectations, setting a high bar for ourselves, our suppliers, and our business partners, and make it clear that we do not tolerate any forms of forced labour or child labour. We are committed to consistently evolving and improving our approach. We do not tolerate child, forced or bonded labour in any of our operations or by suppliers working with us. We make every effort, including through carrying out due diligence to monitor the performance of our suppliers, to prevent our activities having a negative impact on human rights. Our relevant policies are discussed in further detail below:

Consultant Code of Conduct

We are committed to conducting our business in a lawful and ethical manner. Our Consultant Code of Conduct sets out guidelines on how employees and consultants are to carry out consultancy engagements. The Consultant Code of Conduct requires that employees and consultants be ethical in all activities and conduct themselves in a professional manner in performing job duties. We expect employees and consultants to comply with all applicable legal requirements in the jurisdictions in which they operate and to complete work with the utmost integrity.

Whistle Blower Policy

NTG's Whistle Blower Policy provides a mechanism for employees to report concerns regarding wrongdoing without fear of victimization, subsequent discrimination or disadvantage. The Whistle Blower Policy is intended to encourage and enable employees to raise serious concerns within NTG rather than overlooking a problem or seeking a resolution for the problem outside NTG. The Whistle Blower Policy applies to all employees and those contractors working for NTG. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding NTG's business conduct.

Due Diligence

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

We acknowledge that employees working in our supply chain are at potential risk of forced labour or child labour. In order to mitigate this risk, we follow a due diligence approach that includes the following steps:

- Monitoring and reviewing supply chains and business relationships;
- Collecting supplier and service provider attestation;

- Embedding responsible business conduct (RBC) into policies and management systems;
- Identifying and assessing adverse impacts in operations;
- Ceasing, preventing or mitigating adverse impacts, by training and raising awareness and understanding of modern slavery and human trafficking among our employees and vendors as we track implementation and results, communicating how impacts are addressed and providing for or cooperating in remediation when appropriate.

4. Assessing Our Risk

NTG engages in various activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we refer to external compliance databases for smaller service providers and for larger organizations we engage with our peers, consult with external experts, map supply chains, conduct risk assessments, during our procurement process and annual review. To identify the business activities with the greatest exposure to these risks, we consider the following factors:

- Reliance on low skilled workforce
- Dangerous or undesirable work
- Presence of migrant workers
- Presence of labour intermediaries
- Offshore production and sourcing of materials
- Long, complex, or non-transparent supply chains
- Presence of child labour
- Jurisdictional risks including poverty, conflict, and enforcement of international human rights standards

Our exposure to the risk of forced labour and/or child labour increases when we engage with third parties, particularly in categories such as subcontracted software development and engineering services sourced in whole or in part offshore through third parties.

5. Our Commitments

NTG is committed to upholding the highest standards of ethical conduct, including the prevention of modern slavery and human trafficking in all aspects of our operations. As a Canadian technology company, we recognize our responsibility to ensure that forced labor or child labor is not used at any step of the production of goods, whether within Canada or abroad, by our entity or within our supply chains. Below outlines the steps we have taken to address and mitigate these risks:

- Mapping our business activities;
- Mapping our supply chains;
- Monitoring suppliers;
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily;

- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains;
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour; and
- Encourage employees and stakeholders to report any concerns or suspicions of modern slavery.

Remediation Measures

In accordance with the Act, NTG has conducted a comprehensive assessment of its activities and supply chain and has not identified any incident of forced labor or child labor being used. Therefore, we did not need to take any measures to remediate an incident of forced labour or child labour.

The Company acknowledges the importance of vigilance and ongoing monitoring to ensure that modern slavery risks remain mitigated within our operations and supply chains. We are committed to regularly reviewing our risk assessments and implementing any necessary remediation measures should the need arise in the future.

Our Consultant Code of Conduct and our Whistle Blower Policy require all employees and contract workers of NTG to report actual or possible misconduct. We also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business. In the event that we discover any forced labour or child labour in our business and supply chains, we may take one or more of the following measures to remediate such forced labour or child labour:

- Actions to support victims of forced labour or child labour and/or their families such as workforce reintegration and psychosocial support;
- Compensation for victims of forced labour or child labour and/or their families;
- Actions to prevent forced labour or child labour and associated harms from reoccurring;
- Grievance mechanisms; and
- Formal apologies.

Training

NTG personnel at all levels are required to adhere to our Consultant Code of Conduct and ensure that it is understood and properly applied to their daily activities. Every new employee of NTG must review our mandatory values and policies included in our Consultant Code of Conduct and is informed of how to report wrong doing under our Whistle Blower Policy. We provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge.

Supplier Engagement

We engage with our suppliers to raise awareness of modern slavery risks and provide guidance on implementing best practices for prevention and mitigation.

6. Our Progress and Effectiveness

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our Whistle Blower Policy and other informal mechanisms of employee feedback. To date no significant concerns or complaints have been identified.

We have selected certain key performance indicators (KPIs) with respect to human rights, including forced labour and child labour, and such KPIs are reviewed by NTG's senior leadership team on an annual basis. Any non-conformances identified are dealt with by the appropriate teams. Support is provided to suppliers where necessary to resolve any issues raised.

We also assess the effectiveness of our policies by:

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour;
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and resolved through grievance mechanisms and numbers of contracts with anti-forced labour and child labour clauses;
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators.

7. Approval & Signature

This Report was approved by NTG's Board of Directors on May 28, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our website at www.ntgclarity.com.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the Company. Based on my knowledge, and having exercised reasonable 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.



Ashraf Zaghloul
Chairman and Chief Executive Officer

May 28, 2024

I have the authority to bind NTG Clarity Networks Inc.

Advisories

Forward-Looking Information

Certain statements contained in this report include statements which contain words such as “anticipate”, “could”, “should”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this report includes, but is not limited to: the steps taken to prevent and reduce risks of forced and child labour; the implementation of policies in relation to forced labour and child labour; training provided to employees in respect of forced labour and child labour; business strategy and outlook; maintenance of existing supplier and partner relationships; supply channels; accounting policies; credit risks; and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the existence of operating risks; customer demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived there from. Except as required by law, NTG disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.