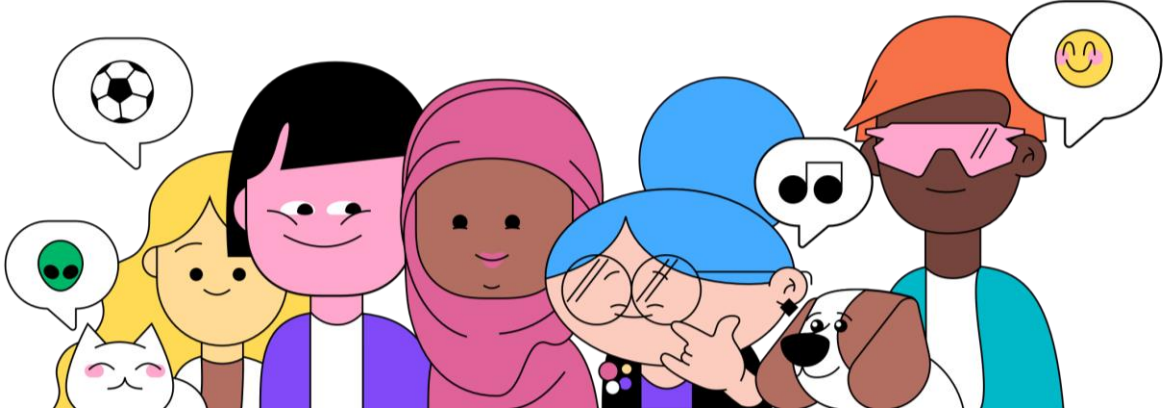


textnow



TextNow, Inc.

Forced Labour and Child Labour in Supply Chains Company Assessment



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Introduction

This report is TextNow, Inc. (“TextNow”)’s response to Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), sections 11(1) and 11(3). TextNow is committed to the protection of human rights in all our business practices and operations. This includes the prevention of modern slavery, forced labour and child labour in both our internal business practices and supply chain operations.

TextNow satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, importing and selling goods in Canada, having assets in Canada, and meeting both the revenue and asset thresholds.

The financial reporting year of TextNow covered by this report is January 1 to December 31, 2023.

Structure, Activities & Supply Chain

Structure

TextNow operates as a private corporation located in Waterloo, Ontario. TextNow has three (3) offices in the United States, located in New York City, New York, Seattle, Washington, and San Mateo, California.

TextNow was founded in 2009 and provides full-service freemium wireless to millions of users.

Activities

TextNow operates within the technology service industry, offering a hybrid of Wi-Fi and cellular services for texting and calling, through both our free TextNow application and no-contract Free Nationwide Talk & Text wireless plan.

There are a total of 211 employees who work for TextNow. Figure 1 illustrates the distribution of TextNow's employees across various locations.



Figure 1



Supply Chain

As a service provider, TextNow has a limited number of physical goods suppliers. During the 2023 fiscal year, TextNow has four (4) direct suppliers, which are all located in the United States. TextNow has two (2) main categories of products, which include electronics (phones, laptops, etc.) and SIM cards.

Note, this analysis was performed solely for suppliers of physical goods and not for the entire supply chain which includes services. TextNow currently has limited visibility on the full geographical reach of our suppliers' locations and limited knowledge of the origination of where suppliers source their goods.

Policies & Due Diligence Processes

TextNow has the following policies and due diligence procedures in place to mitigate the risk of child labour and forced labour within internal activities and their supply chain:

Internal Policies

Policy	Description	Support in Mitigating Risk of Child Labour and/or Forced Labour
Anti-racism and Anti-oppression policy	Outlines TextNow's commitment to providing an organizational environment that is free from racism and all forms of oppression. For transparency purposes, the policy defines the terms "racism," "discrimination," and "oppression."	An anti-racism and anti-oppression policy provides a framework for TextNow to promote equality within our business operations, contributing to reducing the marginalization of certain groups who are more vulnerable to exploitation such as children and at-risk adults. By raising awareness within the organizations, companies can play a crucial role in advancing the fight against exploitation and abuse in global supply chains.
Equity, Diversity, and Inclusion (EDI) Policy	Outlines TextNow's commitment to diversity, equity, inclusion and belonging	The Equity, Diversity, and Inclusion (EDI) policy is instrumental in mitigating the risk of child labour and forced labour by addressing systemic inequalities and fostering environments where all individuals are treated with equity.
Accessibility & Accommodations	Outlines TextNow's commitment to diversity, equity, inclusion, and belonging in relation to accessibility and	The accessibility and accommodation policy in the workplace ensures that individuals with disabilities or special needs have equal employment



	<p>accommodations for people with disabilities.</p>	<p>opportunities. By removing barriers to employment and providing necessary accommodations, such as assistive tools and technologies or modified work environments, this policy enables individuals to participate fully in the workforce, reducing their vulnerability to exploitation and forced labour.</p>
<p>Workplace Violence and Harassment Policy</p>	<p>TextNow does not tolerate any form of harassment, discrimination, or violence against an individual or individuals on the basis of legislatively protected grounds, including race, religion, color, place of origin, ethnicity, gender identity or expression, sexual orientation, mental or physical disability, ancestry, age, marital status, family status, or source of income.</p> <p>This policy applies to all employees, managers, leaders, contractors, vendors, clients, and visitors at TextNow offices, work sites, company-sponsored events, and offsite-site business-related functions. For transparency purposes, the policy defines the terms “workplace violence” and “workplace harassment.”</p>	<p>Should a harassment incident arise, employees are encouraged to report it to any leader and/or the People team at TextNow. A Complaint Form will then be completed to ensure TextNow has documentation of the incident. Once a complaint is received, TextNow will review and investigate the complaint in a fair and timely manner. At the conclusion of any investigation conducted, TextNow will take the action deemed appropriate, which may include disciplinary action up to and including termination of employment for cause.</p> <p>Therefore, like the function of a whistleblower, if an issue were to arise related to forced labour or child labour, this reporting process is a mechanism in place to identify and alert the management of TextNow who then would tend to the resolution efforts.</p>

To reflect acknowledgment and agreement, employees are required to sign off on the identified policies at time of onboarding and return signed forms to Human Resources.



Due Diligence Processes

Terms and Conditions

All vendors are bound by the terms they sign, which are stated in the contracts/agreements. Terms vary per agreement. These contracts delineate the terms and conditions, ensuring that suppliers are legally obligated to adhere to the specified terms.

Recruiting

From an operational perspective, as a condition of employment, new employees must present documentation establishing their identity and their eligibility to legally work in Canada. New employees must provide TextNow with a valid Social Insurance Number, landed immigrant papers, employment visa, or temporary work permit. This provides TextNow with an opportunity to detect that all newly hired employees are legally eligible to work in Canada and are of legal age.

Supply Chain Risk Assessment

A risk assessment over TextNow's industry of operation, goods procured, and countries goods are procured from has been performed over direct suppliers. This risk assessment used two separate indices to conclude on the inherent risk of child labour and/or forced labour related to goods and countries - Walk Free's Global Slavery Index and the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor.

Industry of Operation

TextNow operates within the industry of technology services. Given the two indices noted above have not identified risks of child labour and forced labour inherent to software services, it is concluded that this industry has a low inherent risk exposure.

Goods Procured

TextNow has two (2) main categories of products – SIM cards and electronics. While we know that some of our vendors purchase goods from foreign countries, we do not know the full extent of this. We are also aware that we purchase highly finished goods built with multiple materials and that each material may contain a different risk profile for supply chain risks. Therefore, a risk assessment over the goods procured from the suppliers noted above focusing on the standard materials utilized in the manufacturing of these goods has been conducted and identified an initial inherent risk of forced labour and/or child labour within the following categories:

1. Electronics – phones, laptops, etc.
2. Common materials found in SIM cards – gold, copper, and polysilicon (used in semiconductors).

All other remaining potential materials used in SIM cards have a low inherent risk of child labour or forced labour, according to the two indices noted, including phosphorus and plastic.



Countries Which Goods Are Procured From

For the purposes of a risk assessment over countries goods are procured from, this report focuses on direct physical goods suppliers only.

TextNow procures all physical goods from vendors located in the United States, which has a low inherent risk of using both child labour and/or forced labour according to the two indices noted above. Though all suppliers are based out of North America, these vendors purchase their goods from overseas suppliers as well which exposes the supply chain to inherent risk related to originating source countries.

Remediation of Forced Labour & Child Labour and Vulnerable Family Income Loss

TextNow is in the process of understanding and evaluating our supply chain related to the risk of child labour and forced labour. To date, TextNow has not identified instances of the use of child labour or forced labour within our operations or those of suppliers. TextNow is continuing the review of procurement practices to enhance the rigor of our due diligence processes including raising awareness with our suppliers.

Awareness Training

TextNow does not have training in place directly on the topic of child labour or forced labour. However, TextNow does provide relevant online training sessions to our employees to enhance awareness of pertinent social issues. These training modules cover a range of topics, including Diversity, Equity, and Inclusion, as well as discussions on unconscious biases, microaggressions, and fostering cultural competence within the workplace. By recognizing and addressing these biases, employees become more vigilant and sensitive to signs of exploitation, making it less likely for instances of child labour and forced labour to go unnoticed or unreported. TextNow also tracks the completion of these courses within the system.

In addition, when onboarding new employees, part of this process includes reviewing the policies to ensure the individual understands the company's standards and expectations. Policies relevant to child labour and forced labour include anti-racism and anti-oppression, EDI, accessibility and accommodations, and workplace violence and harassment.

TextNow recognizes the opportunity to enhance employee training relevant to this Act, therefore, will be evaluating applicable training for staff in the foreseeable future.



Assessing Effectiveness

To track TextNow's effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place:

TextNow Activities

1. **Designated People Business Partners** – TextNow has zero tolerance for workplace harassment, discrimination, and/or violence. All claims made regarding harassment, discrimination, violence, and/or any other conflicts will be reported to TextNow's People Business Partners. In addition, employees can also report any concerns to their immediate managers or the Human Resources team. TextNow will conduct a thorough investigation and resolve the issue in a timely manner. This may include disciplinary action up to and including termination of employment for cause (i.e., without notice or payment in lieu of notice or any other severance payment whatsoever) if TextNow determines that such behaviour has occurred.
2. **Employee Training:** TextNow will continue to track employee training completion metrics to ensure the completeness of mandatory courses.
3. **Governance:** TextNow will continue to monitor and assess compliance with the policies and review identified policies on an as-needed basis.

Supplier Activities

1. **Supplier Agreements:** TextNow has identified the opportunity to implement a clause within supplier agreements regarding zero tolerance for child labour and forced labour. This clause will identify the outcome or, disciplinary action should an instance of child labour or forced labour be reported or discovered by TextNow.
2. **Supplier Questionnaire:** A phased-in approach will be adopted to have our hardware suppliers complete a Supplier Questionnaire which will include specific questions regarding child labour and forced labour. This phased approach will begin with the largest suppliers first and will continue across the supply chain within a reasonable time period. For each questionnaire submitted, TextNow will collect responses in a centralized system, to understand how the risk of child labour or forced labour affects suppliers.
3. **Supplier Monitoring:** key hardware suppliers of TextNow will be monitored on an annual basis through performance reviews. Record keeping for frequency of reviews and date of last review is kept in a centralized system to ensure these reviews are being performed.
4. **Governance:** each parameter of supplier activities will be reviewed on an as-needed basis.



Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

TextNow has taken the following steps to prevent and reduce the risk of child labour or forced labour:


1. **Mapping supply chains:** As part of this report, TextNow has mapped our supply chain to complete a risk assessment to align with the Act.
2. **Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains:** As part of this report, TextNow has identified risks within our activities and supply chain that have inherent risks of child labour and/or forced labour.
3. **Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour:** Remediation efforts relating to due diligence mechanisms in place have been identified, to reduce the risk of child labour and/or forced labour within the supply chain.
4. **Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily:** Human Resources checks new employee information to ensure they are legally permitted to work at TextNow. Future checks will evaluate additional aspects of the recruitment process.
5. **Developing and implementing anti-forced labour and/or -child labour contractual clauses:** TextNow has identified the opportunity to integrate contractual clauses within supplier agreements related to anti-forced labour and/or child labour.
6. **Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists:** TextNow has identified the opportunity to integrate anti-forced labour and/or child labour standards/conduct into internal policies and training as well as supplier due diligence procedures (supplier agreements and questionnaires).
7. **Developing and implementing training and awareness materials on forced labour and/or child labour:** TextNow has identified the opportunity to develop employee training relevant to child labour and/or forced labour.
8. **Developing and implementing procedures to track performance in addressing forced labour and/or child labour:** TextNow has identified mechanisms in place and to be developed relating to assessing the effectiveness of reducing the risk of child labour and forced labour.



Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, 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.

Aleksandra Baran
Full Name

DocuSigned by:

Signature E73FD4DE...

VP, Accounting & Business Operations
Title

5/31/2024
Date

I have the authority to bind TextNow, Inc. and this report covers financial year 2023 and applies to TextNow, Inc. and all entities considered reporting entities in terms of the Act and any controlling subsidiaries of TextNow, Inc. if they apply.