Sword Group
Progress Report
November 2016

The Group

Sword Group is a European IT company specialised in the global supply of software and services to regulated industries.

Sword Group has built its growth based on values and principles that are implemented by its management and staff.

The aim of the present document is to formalise the essential shared values and principles that are common to Sword Group and its staff so that each person is able to refer to the document and comply with them.

These values and principles clearly assert Sword Group's ethical commitment and its responsibility in all the Group's fields of activity, vis a vis the shareholders, the members of the company, the clients, the suppliers and the different partners.

The document also aims to federate the staff around the Group's values and principles that they commit to complying with as essential stakeholders in the life of Sword Group.

Fast-growing, sustainable and profitable, Sword Group is pursuing a development pattern that is based on specialisation, proximity and the quality of the services it provides.

By working with organisations that have been rigorously selected, we continue to propose innovative ideas to our clients while sustaining our business knowledge, our technical expertise and our innovation capacity.

Our permanent objective to achieve excellence and leadership is built in line with the Group's core values: respect, rigour and involvement.

The Company asserts its ambition to pursue its commitment to Global Compact in compliance with the 10 principles set out by the latter.

Jacques Mottard
Chairman and CEO

1 General Behaviour

In 2011, Sword Group joined the United Nations Global Compact, thereby undertaking to comply with the ten principles related to Human Rights and the workplace, the environment and corruption.

Through this membership, the company is keen to show that it is a socially responsible company in a global economy.

We chose Global Compact since it guarantees both an internationally recognised framework and sustainability.

Sword Group hence ensures that it complies with the ten principles laid down by the United Nations Global Compact.

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

Human Rights

Principle 1 :   Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2 :   Make sure that they are not complicit in human rights abuses.

Labour

Principle 3 :   Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 :   The elimination of all forms of forced and compulsory labour;

Principle 5 :   The effective abolition of child labour; and

Principle 6 :   The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7 :   Businesses should support a precautionary approach to environmental challenges;

Principle 8 :   Undertake initiatives to promote greater environmental responsibility; and

Principle 9 :   Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribery.

www.unglobalcompact.org

The Social Responsibility of Sword Group is to consider the company not only as a production site and a profit centre but also as an entity that has a responsibility for its environment (human dimension both internally and externally, respect for the environment, etc.)

This general framework is applied concretely speaking through various actions that are tailored to the specific features of Sword Group, its businesses and its subsidiaries.

2 The Human Aspect

- **Education, combining work and training and ongoing training**

Since Sword is a specialised services company, the added value that the company proposes to its clients is largely determined by the quality of the training and the specialisation of its human resources. This is one of the most important development areas for Sword and is the reason why the company pays particular attention to competence management and team management. The company has introduced specific procedures for:

- Maintaining competence levels and the pooling of knowledge thanks to the implementation of training processes, capitalisation and sharing of knowledge. These processes are in line with the specialised fields of each of our centres of expertise and facilitate the growth and development of our staff so that they become specialists in their field. In order to achieve this, the various pedagogical resources made available by Sword are: a specialised set of shared documentation, a listing of the tutorials available for each specialised field, accompaniment of new staff through tutorship and mentoring, introduction of internal or external training, introduction of certification training programmes.
- Sustaining team motivation throughout the duration of a contract that is based essentially on small-sized centres of expertise, proximity management, strong involvement of the centre of expertise management team, internal mobility and individualised training plans,
- Change management: arrival and departure of a new member of staff in the team, taking Into account the project constraints and objectives.

In the light of this, Sword invests constantly in training.

This investment is not limited to staff training. It also extends as far as universities and French engineering schools through different types of actions:

- Internships: these are defined in compliance with the opportunities offered by Sword and the student's expectations. In 2013, all of these internships led to long-term contract job proposals.

- Integration of students who combine work and training into Sword's teams

- Regular participation in training programmes that aim to create a bridge between schools and companies:
    - Lectures since 2011 at Université Paris X - Paris Descartes within the scope of the *DEFI Master* diploma (Electronic Documents and Information Flow) on the subject of Semantics and Systems Integration, "Why? How? Proof Through Examples"
    - Lectures since 2012 at Université Claude Bernard in Lyon on "Data Optimisation: What and Why?"
    - Case studies – Completed by Sword (LERUDI, ALIAS, ISIDORE, UOH)

- Participation in research and development projects that link fundamental research and companies.

- **Managerial Excellence**

Given the nature of Sword's business activities (specialised services) and the nature of the contracts implemented (80% of fixed-price contracts), the organisation has been tailored for the management and success of this type of activity, notably at the level of the management:

- **Organisation into a profit centre:** Organisation of the company into autonomous federated centres of excellence that each have their own management. Each specialised service centre is a profit centre that is responsible for its production and results
- **Project know-how and expertise:** The managers in charge of the specialised centres of excellence all trained in technical and IT fields and as such all have extensive experience in IT project management on a fixed-price basis. Most of them are experts in their specific field
- **Reinforcement of the technical management**: Each centre of excellence relies on a technical management team that is directly integrated within the strategic management of the centre of excellence to the same extent and with the same decision-making power as the sales management team.
- **Specialist sales approach:** Sword's sales approach is above all based on our know-how and our capacity to innovate and manage structuring and innovative projects in our different specialised fields. The managers in charge of the sales part report directly to each centre of excellence and have a good technical understanding of their business, thus ensuring their relevance in our specialised fields.

- **Staff empowerment**

The majority of the staff or sub-contractors who work for Sword Group are managers who have a high level of qualifications. Sword provides its staff with a wide range of tools in order to facilitate their work on a day to day basis. 80% of the Group's engineers have the equivalent of the French "*BAC +4*" or "*BAC +5*" (four or five years of university study).

Sword has numerous tools for capitalising on know-how. This enables the teams to access relevant information when they wish and if necessary to gain access to the right specialists.

This requires tools that are adapted to each specific need:

- Portable computers for staff who are mobile, with external access to Sword's IT system. All the staff benefit from one to two screens in addition to their portable PC, the aim being to improve their working comfort
- State-of-the-art collaborative tools (e-mail messaging, instantaneous messaging, collaborative spaces, standardised document reference frameworks, professional HR tools, customer relations management tools, each site is equipped with video conference rooms)
- Cutting-edge tools such as a federated semantic search engine for all of the company's resources
- Methods that favour staff empowerment, notably through the increasingly frequent use of Agile development methodologies
- Quality working environment: the offices are organised around small project teams and there are never more than five people per room. The accessibility of the management is also guaranteed thanks to the geographic proximity of the subsequent offices.

- **The improvement of the Information flow in the company**

Sword's staff is associated with the corporate strategy through short hierarchical chains of command and regular provision of information.

At least twice a year, entity meetings are organised and the following subjects are dealt with during the course of an open discussion:

- The results and outlook for the Group globally and the strategic directions
- The results and outlook for the relevant entity, the sales opportunities and the strategic directions
- A global review of the projects underway, the difficulties encountered and the successes
- The highlighting of best practices

In 80% of cases the services provided by Sword are fixed-price services and hence the staff are present on Sword's premises for most of their working time. With regard to the in-house 'time and means' services, the duration of the service is limited to three years. Each service forms the subject of a regular update between the member of staff and their manager. This proximity of the different teams favours informal exchanges and good circulation of information.

- **The balance between work, family and leisure activities**

Sword Group provides a certain number of opportunities that enable staff to achieve a better balance between their professional, family and leisure activities.

  - Certain Sword sites enable staff to enjoy access to tennis courts, football pitches and to participate collectively in sporting events, …
  - Staff who wish can establish part-time working schedules
    Geographic mobility is systematically subject to prior agreement from the member of staff. Sword's international presence also means that the company is able to propose international opportunities to staff who so desire.

- **Equal opportunities**

Sword applies a certain number of measures that are aimed at providing the best possible guarantee of equal opportunities for all within the group. The measures implemented are as follows:

  - Annual individual interviews completed by the company managers – interview support documents filled in conjointly by the manager and the member of staff
  - Variable remuneration described on an annual task sheet – regular assessment of the results
  - Annual training review (detailed notably for each person)
  - Six-monthly assessment (for France) highlighting the maximum and minimum remunerations according to each staff category (detailed notably for each person)

Particular attention is paid to equal opportunities for candidates when hiring staff:

  - Recruitments ads systematically placed on line at the APEC and on LinkedIn for France
  - Standard ad that is always drafted as follows: "We are looking for a person…"
  - Standardised recruitment process with a fundamental feature: a logical reasoning test session aimed at providing recruiters with objective decision making criteria.

Sword has set in place regular monitoring of equal opportunities between staff. This involves continuous monitoring of indicators such as wage distribution between male and female staff in the various regions with a comparison of the average wages between the year in progress and the previous year.

- **Disability**

The Group has very few disabled staff, applications being almost non-existent. Sword participates in finding work for those who suffer from a disability by calling upon companies that employ disabled people for example, for the sorting of archives or for the acquisition of office supplies.

- **Profit-sharing**

Sword Group staff benefits from a profit-sharing scheme either through an annual share in profits or through the allocation of stock-options, etc. (the formulae vary according to the laws and regulations in the different companies where the Group has subsidiaries).

3 The Environment

- **Management of the impact on the environment and on natural resources**

Sword Group's business activities are of a tertiary nature and hence their impact on the environment remains limited. Nevertheless, within the scope of sustainable development we have implemented a simple and concrete policy for the protection of the environment and the reduction of energy consumption.

- Efficient electricity management: turning off lights, computers and all electrical devices as soon as possible
- Organisation of the buildings in compliance with the insulation standards
- Generalisation of the introduction of 'Radar' switches in order to guarantee against superfluous electricity consumption
- Annual audit of the buildings by APAVE to assess the quality and the maintenance of the performance of the electrical installations
- Introduction of the virtualisation of all the IT servers in 2007, hence reducing the KW/h consumption by 6
- Reduction of greenhouse effect gasses by controlling the use of 'air conditioners'
- Restriction of travel by optimising the use of modern communication technologies (Telephone, Video conference, etc.) including during management meetings for client projects. Each Sword site has a meeting room equipped with a video conference system, hence allowing virtual meetings with external stakeholders
- Introduction of Microsoft Lync instant messaging system between the Group's different international sites and with the outside world, hence allowing for point to point discussions between staff or with clients based on Internet protocol telephone systems, instantaneous messaging, application sharing and video
- Maximum utilisation of public transport for urban travel: in order to favour public transport, Sword finances part of the public transport season ticket. In 2014, introduction of a fleet of electric bikes (50) at the Lyon site. These can be used by staff for their travel during the week and on the week-end. Extension of this system to the other French sites in the group in 2015.
- Encouragement of car-sharing for all professional journeys made by our engineers outside the city
- Use of rail transport whenever possible and in particular for travel between sites
- Limit as far as possible the number of documents printed on paper within the scope of projects. Engineers only print the final version of documents. All proof reading is done using a computer. The Group's printing company is *Imprim'vert* (green printing) certified and complies among other things with the principles dictated by the Forest Stewardship Council and the Programme for the Endorsement of Forest Certification
- Construction and extension of all the Sword buildings according to the HEQ standard
- Reuse/recycling of paper
- Recycling of IT equipment and consumables (ink cartridges) by qualified companies
- Limitation of the engine rating of company cars, (average engine rating of the fleet in France, 6.7 horse power)
- Introduction of an appropriate policy in each company. For example, our Belgian subsidiary has set up an "Ecoteam" that controls the impact of our work on the environment. The paper used for internal needs for example is 100% recycled. Bikes are made available to staff for short journeys. A special certification process has been entered into for the respect of the environment.
- At the Lyon site, an entire wing of our building is heated using the heat extracted from the server room.

4 The Community

- **Anchored in society**

Sword's various sites play an active role in the life of their region and as such different actions are undertaken:

- Sponsoring of social and cultural activities
- Participation in clusters that aim to help reinforce the economic attractiveness of the regions where Sword is present. Sword is a Director for the Health Cluster in the Rhône-Alps region and is a member of the Cap DIGITAL competitiveness cluster in Paris
- Investment in the higher education sector through lectures within the scope of different courses, participation in student forums and internships proposed to students in collaboration with the schools and students involved.
- Strict compliance with the labour laws in force
- Recruitment in the local job basins or within the scope of chosen mobility
- Support for not-for-profit associations: Sword sponsors the Léon Bérard Centre for the fight against cancer (CLB) in various accompanying actions, Sword provides equipment to associations that organise school support actions in Africa (Wassadou Pont Trambouze)

5 Measurement of outcomes

- **ANNUAL RESULTS**

  1/ Mode of transport used in 2016:

  - Regarding the Sword electric bikes, the number of users remained stable between 2015 and 2016 but we note a clear progression concerning employees using their own bikes. (France data),

  - As for method of journey to go to work, the number of staff people using public transports raised from 138 to 159 people in one year, which is very encouraging (France data),

  - Sword is based in 20 countries; the company installs new videoconferences systems in order to reduce CO_2 emissions caused by business travels. The last one that has been set up this year is in Eysins, Switzerland (worldwide data).

  2/ Equal opportunities:

  - France is the country that had the best results in equality results within Sword Group. The pourcentage of women employed went from 16% in 2014 to 23% in 2015,

  - The other countries that have benefited such an improvement are the US and Benelux with respectively 5% and 4% increase,

  - The other countries must work harder towards these objectives.

  3/ Formation:

  - Tremendous increase of the number of training days, followed by employees between 2014 and 2015, which represents 83% progression. This improvement is maintained by a large internal and external training program (France data).

6 Conclusion

Fast-growing, sustainable and profitable, Sword Group is pursuing a development pattern that is based on **specialisation, proximity and the quality of the expertise and services it provides.**

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