

**2020
Communication
on progress**

For a better World



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact and
supporting broader UN goals.

We welcome feedback on its contents.



SOLYSTIC has long been aware of its social, societal and environmental responsibilities.

This eleventh COP is a new opportunity to report on our actions in respect of our commitments and is intended for all stakeholders (current and future employees, new recruits, suppliers, customers, industrial partners, etc.). This year, we have opted to present various initiatives which actualize 6 of the 10 UN Global Compact principles. Though not exhaustive, they portray our vision and the way we act on a daily basis. This enables us to better demonstrate the diversity of our actions. This COP also provides a forum to hear feedback from stakeholders who have worked alongside us.

Those who are accustomed to reading our COPs will recognize continuity in our actions and our commitments. First-time readers should feel free to review our previous edition. You will learn about how our approach is guided by long-term interests and continuous improvement.

Happy reading.

For more information:

<https://www.unglobalcompact.org/what-is-gc/participants>

The key phases of our approach



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Edito



“For SOLYSTIC, the respect of the Global Compact principles is more than just a commitment.”

Pierre IGOU
President and CEO

Dear Mr Secretary-General,

SOLYSTIC decided to embrace and support the values of the United Nations Global Compact in October 2009. I am pleased to confirm and reiterate our commitment to support and promote the ten principles of the United Nations Global Compact.

Our action in favour of human rights, good working conditions, protection of the environment and fight against corruption is fully in line with my vision of SOLYSTIC. A clear vision expressed to SOLYSTIC's employees and within our sphere of influence, customers, partners, suppliers and all our stakeholders.

For SOLYSTIC, respecting the principles of the Global Compact is more than a simple commitment. It is to adhere to a social model based on mutual respect and dialogue. It is to share our values and to commit to continuous progress and improvement within transparency.

This annual communication is the testimony of this commitment.

As President and CEO, I have made it my priority to implement this policy on a daily basis and to involve all my staff.

I am proud that SOLYSTIC, through its support, helps to further the initiative launched by the United Nations.

Yours sincerely,

Pierre IGOU
President and CEO



SOLYSTIC, one of the global leading provider for automation of intralogistics, especially for parcels, postal and retail industries.

SOLYSTIC is a French subsidiary of the Northrop Grumman group that deploys innovative and bespoke solutions in France and worldwide (almost 30 countries on 5 continents).



SOLYSTIC has broad capabilities in intralogistics process design, program management and integration, sorting equipment, real-time image and data mining, mobile robotics, lifecycle services (maintenance, spares supply chain, technical support) and "Digital twin" data modelling.

We provide bespoke solutions, based on smart combinations of sorting technologies, mobile robotics and IT applications.

We enable our customers to automate logistics processes, reducing manual operation needs, improving working conditions and the quality of service.

Intralogistics automation



Our CSR commitments

As a subsidiary of the Northrop Grumman group, SOLYSTIC has adopted many of the Group's CSR commitments. However, given the specific business and country context of the company, we have also developed some CSR commitments of our own.



Respect the interest of customers and end users

- Offer high-quality products and service
- Innovate to meet customer needs
- Purchase responsibly and locally
- Respect human rights and sell with ethics



Attract, retain and develop highly skilled staff

- Guarantee safety and security, preserve health and improve the quality of life at the workplace
- Advocate diversity and equal opportunities
- Organize constructive and high-quality social dialogue
- Ensure pro-active management of our talents and promote agility



Reduce our impacts

- Prevent all forms of pollution
- Reduce our waste and consumption
- Combat climate change

For more information about the Northrop Grumman group's CSR policy:

www.northropgrumman.com/Corporate-Responsibility/

Measuring our performance and progress

As part of our drive for continuous improvement, we regularly submit our CSR approach to ECOVADIS for assessment. ECOVADI is an independent organization which measures our CSR performance. Four themes are analyzed: the environment, social policy, business ethics and sustainable procurement. The result of this assessment is transmitted to all interested customers on request.

Since our first assessment in 2013, we have always received a Gold status, and today Platinum i.e. the highest level of recognition.

The last score obtained is **74%**. This ranks us at an "advanced" level amongst the top 1% of the most high-performing suppliers of the thousands of companies assessed.

This result is the recognition of our commitment and the culmination of our efforts and the good practices implemented on a daily basis by all our employees and partners.



Our contribution to SDGs

The Sustainable Development Goals (SDGs) came into effect in September 2015 and are a global call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. For the goals to be reached, everyone has a role to play, governments, businesses, associations and everyday citizens alike.

“The SDGs bring a common language to the companies and new impetus to the CSR”

Interview with **Frédéric SANDT**, Chief Operating Officer at SOLYSTIC

What is the connection between the CSR approach, the COP and the SDGs?

SOLYSTIC’s activities have always been firmly embedded in an approach that places strong emphasis on respecting its customers, employees, partners and the environment. It has been organized by relying on ISO 9001 certification since 1995 and ISO 14001 certification since 2007. In 2008, we commissioned an external consultant to carry out a diagnostic study of our corporate social responsibility. We entered a new phase in 2009 by joining the UN Global Compact and by committing to promoting its ten principles with our employees and partners.

At present, although the CSR approach is deeply rooted within the company’s departments, the publication of the COP is an opportunity to take a step back, measure the progress made and agree on the next goals to be achieved in terms of Human Rights, working conditions,

environmental protection and the fight against corruption. With the Global Compact, SOLYSTIC and its CSR approach, can take advantage of a community that shares our good practices and the pride of contributing to the UN initiative.

The SDGs allow us to further enhance our contribution by incorporating new concerns and base our actions on shared and global goals. They provide a common language to companies and give new impetus to the CSR.

How can SOLYSTIC contribute to the SDGs via its operations?

SOLYSTIC contributes to 12 of the 17 SDGs. This COP gives examples of 8 of these, such as, social dialogue (p.8), prevention under COVID risk (p.11), responsible purchasing policy (p.13), and Ethics & Business (p.15).



Human Rights

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

SOLYSTIC has continued with its plan for transformation of its business activities to adapt to industrial and societal developments in the automated mail and parcel sorting and distribution sector. In a difficult economic climate, the challenges of employability and training still occupy a key role. Our core strengths, guiding the adaptation of our business, activities and workforce, are our cultural foundations for dialogue between management and workers and for working jointly on development, with our employees or their representatives. This has played a major role in ensuring good conditions for the negotiations and deployment of the Employment Safeguarding Plan (ESP), in the midst of a large-scale public health crisis. The reorganization of the Purchasing and Logistics Division is also a good example of this.

Professional
Equality Index:
81% in 2020

1

Signature of MAN

The Mandatory Annual Negotiations (MAN) 1, covering working time and pay, for 2020, were deferred and signed in 2021. They introduced the commitment of dedicating 2% of the payroll bill to training, in support of the company's strategic intention to develop its activities to adapt them to changing technology. MAN 2 covered gender equality and quality of life at work. Unanimously signed in March 2021 by all three trade union organizations with a presence in the company, this three-year agreement is a continuation of previous agreements, with an emphasis on objectives concerning equal pay, recruitment, non-discrimination, openness to diversity, work/life balance and support for parents.

2

Agreement on the ESP

After many meetings with staff representative bodies, on 30th September an agreement on the Employment Safeguarding Plan associated with the planned reorganization of SOLYSTIC was signed. The good quality of communication between management and workers, maintained despite the difficult context, has contributed to the implementation, with the shared desire to provide maximum support to individual projects and to reduce the number of forced redundancies.

3

Towards a new remote working agreement

The lockdowns of 2020 resulted in a large number of employees working remotely for long periods. The 2016 remote working agreement, a precursor to this era, is due to be revised in 2021. As had been the case in the preparation of the first agreement, working groups will be established, formed of volunteer employees, to engage in dialogue, as the issues vary depending on site location and activity.

Supporting developments in business activities with training

In continuation of the plan for transformation, the guidelines of the 2020 training plan were focused in 4 main areas: stronger support for changes and facilitating transitions; continuous improvement of operational efficiency for the customer; consolidation of the skills base of the core business activities to enhance the employability of the workers. The 2021 skills development plan (new name for the training plan) will maintain the same level of investment, despite the economic

climate, with the aim of providing the best support possible for changes in business activities.

In 2020, 215 employees, or 57% of the workforce, received some training. One of the challenges for SOLYSTIC is to make sure that women are provided with as much training as men are. This provision is made difficult because female employees represent only 22% of the workforce and a proportion of these workers do not request training. One of the objectives of the parity commission for training is therefore to encourage these female workers to decide to take up some training. Due to the public health crisis, there were short periods of partial unemployment that started in 2020, and the decision was made to set up APLD (French long-term partial activity system), from March 2021. This means that 80% of the teaching costs of the training are reimbursed by the State, which allows us to increase our training investment spending



INVOLVEMENT OF EMPLOYEES IN THE REORGANISATION OF THE PURCHASING AND LOGISTICS DIVISION (DAL)

Interview with Anne-Christine DUBREU, Logistics Organization and Coordination Manager and **Patrick HOURS,** Director of Purchasing and Logistics

In 2020, a restructuring of the Purchasing and Logistics Division was launched. What was the objective?

Patrick Hours: Our aim was to undertake an intense and detailed examination of the tasks and the order in which we were carrying them out, in order to eliminate those that create frustration and lack of productivity. We were looking for an equilibrium to allow us to improve our operating methods by optimizing what makes sense for the field operator, but also by reducing certain environmental impacts. The economic challenge consisted of increasing efficiency and reducing costs by trimming four weeks from the cycle of making machines available to customers.

How were the employees involved?

Anne-Christine Dubreu: Multi-department working groups, made up of one representative for each department (warehouse, incoming quality control and acceptance, assembly units, design, methods, ordering, installation) were formed in four discussion workshops. Each workshop group met four times, so that they were able to put together ideas from each individual, summarizing and putting them into order before starting to consider actions, communicating with each other about their respective progress. Two workshops covered the physical flow of parts, in order to improve efficiency and costs. A third was dedicated to assembly, aiming to shorten the manufacturing cycle to satisfy customer demand for faster and faster delivery times. For example carrying out more small checks throughout production before the final inspection phase.

Finally, the last of the workshops looked at the adjustment of the project management within the Purchasing and Logistics Division for each product type, from monitoring machine design to manufacturing and then installation.

Here also, the challenge lies in the streamlining and parallelization of certain tasks, in order to improve efficiency and the delivery cycle.

Are you already seeing progress?

Anne-Christine Dubreu: Some actions were able to be carried out quickly and make sense from an environmental point of view, such as reducing the amount of packaging for parts in the warehouse for putting them into the units, by placing them in reusable crates.

Patrick Hours: The implementation of the actions will go on until the end of 2022. In order to provide a concrete view of this planned reorganization and to offer a visual representation of the contribution made by employees, we have opted for a shared metric: the program of a customer comprising several machines was chosen for implementation of these changes, which will allow us to measure the saving in our operating costs and delivery times, and to communicate about the objectives achieved.

International labor standards

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

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.

Since the start of the Covid epidemic, SOLYSTIC has made it a priority to protect the health of its employees while ensuring business continuity. A balance has been sought, constantly, between applying government measures, protecting employee health and following the company's business imperatives. The continuity of business activity has made it possible to ensure machine operation, maintenance and deliveries for customers, some of whom are carrying out public service functions, at their sites with complete safety. SOLYSTIC has mobilized to ensure that, despite the public health context and the work reorganization, the productivity and efficiency challenges of the industrial processes are respected in a working environment that focuses on everyone's safety, including when returning to their family environment.

200k€

was invested in protecting employees' health.

57%

of employees trained in 2020

1

Site return plan

In order to protect the employees whose roles were not compatible with remote working and whose presence on-site was needed, and to ensure business continuity, the Human Resources Department, the CSSCT of both establishments, the managers of General Services and the Health and Safety managers made the buildings safer by setting up circulation routing plans and a strict health protocol. All employees were provided with washable cloth masks, then surgical masks, as well as hand sanitizer gel. An enhanced cleaning protocol was deployed to ensure an additional rotation of cleaning of contact points (coffee machines, door handles, photocopiers, etc.) with virucidal products. From spring 2020, the entrance to each site was equipped with gel dispensers, along with all high-traffic areas and meeting rooms. Special provisions were implemented to limit sharing of desks, computers or common equipment (e.g. pallet trucks in Alixan) in order to reduce the risk of contamination.

2

Mental health helpline

As part of the ESP, SOLYSTIC set up an anonymous and confidential mental health telephone helpline, available free of charge, 24 hours a day. This service, QualiSocial, gives employees the option of contacting a social worker, coach or psychologist. The support provided can continue for up to 8 sessions, either remotely or face-to-face.

3

Involvement of Purchasing

In the midst of shortages of masks and hand sanitizers, the Purchasing Department managed to equip employees with all the necessary protection. SOLYSTIC was able to avoid a lack of protective equipment, with the help of its partnerships with several suppliers. The group's cleaning company managed to obtain approved fabric masks, and other suppliers were able to import surgical masks. A stock of FFP2 masks that were not needed urgently for use by the company were distributed free of charge, at the very beginning of the pandemic, to hospitals in Valence and Paris.



Qualitative perspective of employees concerning these protective measures

"As a member of the CSSCT, I took part in implementing the protective measures, by giving my opinion. As early as March 2020, the government instructions were being followed. The widespread establishment of remote working for suitable roles went well and management paid attention to our home working conditions. For some, the inability to work remotely for family reasons resulted in partial unemployment, whilst isolated people were given special attention. Our occupational nurse, based at Alixan, communicated about good practice for working at home during the lockdown

"The CSEC was informed quickly of the health measures that were going to be put into place at SOLYSTIC. With remote meetings every week, management kept the CSEC updated on the correct application of government health regulations on our two sites, as well as at customer sites."

Sandra NAVARRO,
Secretary of CSEC

At customer sites, the provision of protective equipment, markings for circulation and distancing measures in communal areas made it possible to work safely. With the first easing of lockdown, the increase in numbers of workers was well organized, Human Resources welcomed us with a protective equipment kit and deployed a stronger health protocol in our workspaces as well as in our working environment. For example, at Bagneux, where we share office floors with other companies, the number of people allowed in each lift was reduced and the operation of the company restaurant was adjusted for distancing. In general, the barrier measures were applied well and the provisions made within the company allowed people to feel safe and employees to be protected from contamination".

Hervé PERRIN, software development Engineer at Bagneux

MANAGEMENT OF COMMUNICATION BETWEEN MANAGERS AND WORKERS

Interview with Marie-Pierre HOMBERG, Human Resources Director,

How did you maintain communication between management and workers during the Covid crisis?

At SOLYSTIC, we're careful to keep this communication constructive and of good quality. There's no systematic ideological opposition between management and staff representatives: we're used to working together, it's not always simple and fluid, but this intention forms a natural part of our values. With the difficult decision taken in 2020 to implement an ESP, we organized 37 formal meetings between June 2020 and signature of the ESP on 5 October 2020 in the presence of the central trade union representatives, 2 Establishment and Central CSEs and CSE Central, as well as Establishment and Central CSSCTs. The negotiations were complicated and one union did not want to sign the agreement.

However, throughout the duration of this process, we kept the dialogue going and there was no industrial action.

Is this dialogue continuing during implementation?

Our objective now is to ensure that SOLYSTIC can look ahead to the future, by maintaining skills. The ESP plan monitoring committee meets in the presence of representatives of the social partners and Human Resources. All decisions have been taken unanimously in the interests of both the company and the employees.

Hasn't the quality of communication been affected by social distancing?

On the contrary, it seems to me that the dialogue has been made stronger, because physical separation has led us to organize meetings more often to explain where we've got to and to take stock of the situation. All the key points regarding making employees safe and organizing work during the lockdown period have been discussed with

the social partners. At Bagneux, meetings took place almost every week to keep the site safe (number of employees present, health protocol for the company restaurant, etc.). At our Alixan site, members of the CSSCT who are close to the field have brought up operational points so that we can progress together in the right direction. The members of the CSSCT also contributed actively to good operational respect of the instructions. Everyone showed solidarity, we really worked together.

Environment

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

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally-friendly technologies.

The new Alixan site, inaugurated in February 2020, has incorporated human aspects, such as teamwork and quality of life at work, as well as environmental aspects, adopting the most recent standards in this area, since the start of the site design. Equipped with charging terminals for use of electric bicycles and vehicles, located in the immediate vicinity of the Valence TGV station, with meeting rooms fitted with video-conferencing facilities and a 100% plant-powered shuttle to take employees to lunch at the inter-company restaurant, the site demonstrates SOLYSTIC's intention of supporting changes in practice and reducing environmental impact throughout the value chain.

1

BREEAM In-Use certification, "very good" level

The new Alixan site has received ISO 14001 and BREEAM In-Use certifications for the Design-Build section, at the "very good" level. This level is rarely attained within the industry. This certification affirms the reduction in operating costs of the building and demonstrates its commitment to reduction of its environmental footprint. Unusually for an industrial building, the site has large bay windows with overhead lighting, north-facing roof sheds for glare-free lighting, fixed sun screens and blinds to adjust lighting and reduce summer temperatures. The natural light is complemented by low-energy LEDs that are controlled by presence detectors, in order to limit power consumption.

2

Hydration without pollution

As soon as SOLYSTIC moved to the Alixan site, in February 2020, it went further than legal requirements in terms of promoting reuse and preventing wastage by completely eliminating use of single-use plastic cups at the drinks dispensers. Every employee was offered a stainless steel mug to replace the cups and the plastic stirrers were replaced by cardboard ones. As a result of this, 100,000 fewer plastic cups were used in 2020.

3

Paper recycling with a humanitarian aim

On the Bagneux site, used paper is collected in dedicated bins for recycling under the "used paper for schoolchildren" scheme launched by the Recyclage Ecocitoyen team, a network of workplaces adapted for people with disabilities. This action provides a way for SOLYSTIC to raise awareness of recycling among its employees and among schoolchildren. In 2020, more than 2 tons of paper were recycled to produce notebooks that were then donated to a local school run by the Apprentis d'Auteuil Foundation. An example of successful involvement in the region.

The benefits of short industrial supply chains

For many years, SOLYSTIC has undertaken most of its purchasing within France, with only 20% carried out outside our borders, 15% of which is in Europe. As the company is not engaging in mass production, these short industrial supply chains offer a greater advantage. This practice cuts down on the packaging and transport costs that would be necessary for longer distances, limits the SOLYSTIC carbon footprint and reduces delivery times. The higher costs of components produced locally, estimated to be between 3 and 5%, is absorbed by increased productivity, shorter lead times and reduction of some other costs.

Remaining consistent with our environmental commitments also creates a more meaningful mindset internally.

Geographical proximity allows the company to develop long-term commitments and relationships of trust with suppliers. Working on programmes shines a spotlight on their activity for an average of 18 months, which allows them to smooth out their workload. Suppliers have been particularly appreciative of this in the crisis period, with some having seen their business activity levels crashing down. In 2020, in return, some suppliers did not hesitate to order raw materials upstream to avoid having to pass on their price increases. There is also a substantial social impact, as SOLYSTIC estimates that, with its 30 to 35 million euros of purchasing per year, it generates nearly 60 jobs indirectly in Drôme-Ardèche and twice that number in the Auvergne-Rhône-Alpes region.

80 % of purchases in France

Including 40 % in Auvergne-Rhône-Alpes

and 20 % in Drôme Ardèche.

PURCHASING AND LOCAL SUPPLY ECOSYSTEM

Interview with a committed local supplier

Valentin BARDE, CEO of the company 26H7, **Interview by Carine BELLION.**

How would you define your relationship with SOLYSTIC?

We've been working with SOLYSTIC for almost 20 years. When we created 2H67, SOLYSTIC was our main customer. Today, it's still our top or second customer, depending on the year, but we've diversified our portfolio and currently have 6 major accounts. Initially, the quantities for production were low, with short lead times, and mainly consisted of prototypes. Since then, by investing in new CNC machines and in line with our customers' strategy, we have expanded our production range. Today, prototype activity represents no more than 30% of turnover. With acquisition of the "Moyroud" company we've been able to work with SOLYSTIC to a turnover of 250k€ for 8 series of foundry takeovers.

For the 2021-2022 period, we are aiming for turnover between 1.5 and 2 million and the partnership with SOLYSTIC represents a large part of that.

What are the advantages for you in working with local customers?

It's in 26H7's DNA to be working with local customers, which lets us respond to their requests quickly, providing them with the necessary support as required. We save on transport time, which is valuable. This proximity also allows us to get to know our contact properly (clarification of needs) and to work with confidence in them (machine time can be booked by verbal request). We hardly ever go to trade fairs, apart from RIST (Rencontres Interrégionales de Sous-Traitance) in Valence, which gives us an opportunity to talk to our regular customers or to catch up again with old customers. Similarly, we don't do much prospecting for new customers. Often the latter come and find us, in particular through inter-company movements and "word of mouth".

What percentage of your work is with local customers?

99% of our customers are in the Auvergne-Rhône-Alpes region, most of them between Valence and Romans-sur-Isère.

What actions do you take in terms of the environment and CSR?

We are ISO 9001 certified for quality, which is our only certification. However, we attach great importance to employee health and safety. At our Bourg-de-Péage site, we have installed air filters that can take out 99% of the aerosolized oil generated by our machines, allowing our employees to breathe in healthy air. On the site that we have just acquired, we have made the waste processing area compliant and provided workers with a machine oil that is better for their health. We have a strong focus on occupational training of our employees. This year, we are also committed at company level to integrating two work-study trainees into our teams.

Business ethics

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

Business ethics form one of the fundamental principles for SOLYSTIC. Our business ethics are based on the existing rules and tools implemented by the Northrop Grumman Group and adapts them to its own context and business. As part of a voluntary approach to ethics and compliance, all employees, regardless of position or level within the company, are made aware of the ethical rules as soon as they join the company and undergo the relevant mandatory training, updated every year. The employees with the greatest exposure, such as the Purchasing and Sales teams, have particularly high involvement in anti-corruption actions and preventing conflicts of interest.



More than **90%** of the **ethics training** is undertaken in Europe.

1

Ethical rules of the Group

Integrity is at the heart of SOLYSTIC's processes, benefiting from the recognized expertise in business ethics of the Northrop Grumman Group. As a subsidiary of an American group, it complies with international anti-corruption rules, mainly those in force in the United States (Foreign Corrupt Practices Act – FCPA) and in the United Kingdom (UK Bribery Act 2010 – UKBA).

2

Whistle-blowing

“Any individual is able to report problems or ask questions about business ethics, by consulting an ethics contact, a relevant contact in the Northrop Grumman Group or the Human Resources Department. The individual may also raise an issue by logging on to a dedicated website or by telephone 24 hours a day, to talk about it with a contact in French. This system is displayed in all the meeting rooms and at the entrance to the plates.

3

Role of ethics contacts

SOLYSTIC has one ethics contact per site. Their role is to pass on the business ethics policy of the Northrop Grumman Group. They act preventively, answer questions, raise issues if necessary and ensure that training in ethics is properly provided and taken up. They also ensure that all employees who are in contact with the outside world (sales, contracts, purchasing, on-site interventions, etc.) fill in an annual conflict of interest form. They also take part in internal audits to identify evidence of good practice in force within the company.

Ethics & Business Conduct 2020 EMEA BCO Workshop

At the end of January 2020, SOLYSTIC organized the Group's annual Ethics Forum for Europe and the Middle East. Nearly 35 participants representing the entities of the Group, from 11 different countries (Belgium, France, Germany,

Italy, Netherlands, Poland, United Arab Emirates, United Kingdom, United States, etc.), came together for three days to discuss the subject of business ethics. There were two days dedicated to updating good practice related to specific cases and the way that they were resolved. One day was reserved for training new ethics contacts. The participants also undertook a training course on "Building positive relationships at work" and a conference on compliance in business.

"SOLYSTIC "Being ethical means holding both our own values and those of others in respect, in a spirit of integrity and excellence, to improve our competitiveness to tackle the challenges ahead of us".

Richard NACHMAN,
Contracts Manager and Business Conduct Advisor

TRAINING AND INCREASING AWARENESS OF EMPLOYEES IN FRANCE

Interview with Richard NACHMAN,
Contracts Manager and Business Conduct Advisor,

Which ethics training system is implemented in France?

We have set up two types of training. One is linked with export control within the framework of International Trade Compliance. It is provided to all incoming employees face-to-face, to ensure that they are aware of this issue. The other type concerns business ethics in the wider sense and has to be undertaken once a year by all employees, whether on a full-time or part-time basis, in an e-learning format. It takes about 30 minutes to do and, in 2020, it covered conflicts of interest, business gifts, harassment in the workplace and speaking out.

Every year, the President of SOLYSTIC sends a letter to the employees about the importance of ethics for the Northrop Grumman Group and the need to make sure that these training sessions are carried out correctly.

How has the training developed to increase awareness in teams in France?

The e-learning ethics training is valid for the whole of the Group. In the context of International Trade Compliance and export control, since the French business activity does not involve Defense-related activities, we have adapted the content to make it more relevant locally and we are focusing on specific cases that SOLYSTIC has to deal with.

How are these topics being grasped by the employees?

Over the years, there has been an infusion of these topics and we are noticing better levels of compliance among our employees. Mindsets have changed and the issues related to ethics and compliance are now

broadly understood by everyone. This is reflected in better prevention and anticipation of risks (particularly risks of corruption) and in an "Ask before Act" attitude.



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