



2021
**COMMUNICATION
ON PROGRESS**

For Earth from Space

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From the CEO



Christophe Vassal
Chief Executive Officer



95%
OF OUR EMPLOYEES SAY
THEY FEEL A STRONG BOND
WITH CLS AND ARE PROUD
TO WORK WITH US

Engagement Survey Results 2020

How is CLS helping achieve the UN's Sustainable Development Goals?

We are proud to say that more than 89% of our revenues are generated from activities geared towards achieving the United Nations Sustainable Development Goals (SDGs). Our business contributes to the 17 greatest ecological, political, social and economic challenges facing our planet.

Since we joined the UN Global Compact in 2016, we've committed to making progress every year on each of the 10 principles concerning human rights, labor law, environmental protection and fight against corruption. The goals and values inherent in these principles have inspired our company since the beginning, therefore it was natural for us to implement them into our processes and partnerships.

What challenges did 2021 bring?

This year was marked by the company officially adopting the status of mission-driven company.

Among notable events, there was the acquisition of Meteodyn in October 2021, strengthening our expertise in wind engineering, meteorology and climatology.

What would you like to tell readers in this report?

Despite the unprecedented health crisis, we are still committed to making progress in all CSR areas, such as protecting human rights and the environment, which is the core of our business.

We strive at all times to strengthen our non-financial performance. It's a key driver of our competitiveness and long-term success.

What is your long-term goal?

We want to continue deploying our global CSR strategy, gradually bringing all of our subsidiaries on board. Writing this report is our chance to take stock of this year and get ready to meet 2022's CSR challenges.

UNITED NATIONS GLOBAL COMPACT

The Global Compact is the world's biggest voluntary sustainable development program. It encourages businesses to embed and promote a range of principles regarding human rights, working conditions, good environmental stewardship and anti-corruption practices.

	<p>This is our Communication on Progress in implementing the principles of the United Nations Global Pact.</p> <p>We welcome your feedback on its contents.</p>
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Resources

€10 M

Invested every year in research and development

300

Satellites send their data to CLS every day

5

Data-processing centers operated by CLS in France, the United States, Italy and Spain

Nearly 900

employees worldwide

1

Only one planet, which we must observe, watch over and preserve

35+ years

of experience. Our skilled and experienced workforce is our most valuable asset

157,2 M€

Revenues in 2021

10 %

Growth

34

sites around the globe

Our business model

CLS, a global company

Today, satellites yield massive amounts of varied data. To unlock the wealth of information these data contain for our customers, we have decided to invest in artificial intelligence and harness the power of big data and analytics infrastructures to gain deeper insight into their businesses. To meet demand from the ever-increasing number of customers turning to our services, and because they are using satellite data in new ways, we are launching in 2022 a far-reaching digital transformation to deploy several digital services platforms.

For CLS, this move is vital to stay ahead of competitors from all sides and retain our customers' trust.

866 employees*



* includes group, subsidiaries and offices



... TO MEET INCREASING CRITICAL NEEDS.

5 business units

16,5% Sustainable Fisheries Management
Supporting sustainable management of marine resources and related economic and food sectors in order to combat overfishing.

38% Environmental and Climate Monitoring
Supporting environmental conservation and sustainable development policies to tackle the biodiversity crisis, polar ice melt, marine oil pollution and water shortages.

**Understanding the past
Observing the present
Planning the future**
Adapting to meet climate and environmental challenges
Gauging the environmental impacts of economic and industrial activities

22%

Energy & Infrastructures
Developing products and services for the energy, mining and infrastructure markets to improve efficiency and safety, while reducing their environmental footprint in order to respond to an increasing natural and man-made disasters, as well as the growing number of complex large-scale projects that require close monitoring.

12,5%

Maritime Security
Preventing and responding to illegal events and activities at sea affecting people and property. Combating terrorism, piracy and all forms of trafficking (immigrants, drugs) and preventing all types of pollution (e.g. oil).

11%

Mobilities
Developing innovative telematics solutions, notably for humanitarian and waste management purposes in response to growth in international freight and waste volumes.

CLS HELPING TO ACHIEVE SDGS

More than 89% of our revenues are contributing directly to Sustainable Development Goals (SDGs)

57 %

are helping to tackle climate change and preserve marine and terrestrial biodiversity SDGs 6, 13, 14 & 15

31 %

are contributing to economic development and to sustainable cities and communities SDGs 7, 9, 11 & 12

5 %

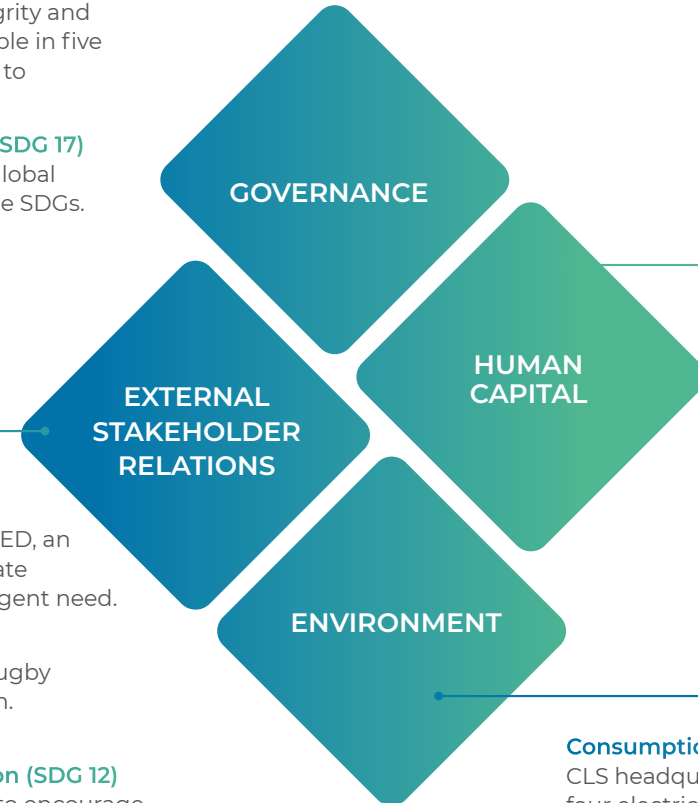
are helping to tackle poverty and give vulnerable communities greater autonomy SDGs 1, 2, 3 & 8

7 %

are helping to strengthen cooperation and build solid global partnerships SDG 17



Our internal practices contribute to the SDGs



Gender equality (SDG 5)

45% of CLS's managers are women
40% of our Executive Committee are women
47% of our Management Committee are women

Combating corruption (SDG 16)

CLS has outlined its commitment to integrity and responsibility in a Code of Conduct available in five languages. We also require all employees to complete online anti-corruption training.

Sustainable development partnerships (SDG 17)

CLS is a signatory to the United Nations Global Compact and is working to implement the SDGs.

Sustainable development partnerships (SDG 17)

CLS supports several NGOs including ACTED, an international NGO committed to immediate humanitarian relief to support those in urgent need.

Reducing inequalities (SDG 10)

CLS is supporting the Stade Toulousain Rugby Handisport wheelchair rugby organization.

Responsible consumption and production (SDG 12)

CLS is involved in local initiatives seeking to encourage 'soft' mobility solutions.

Preserving biodiversity (SDG 14 & 15)

CLS is supporting a project to preserve biodiversity and promote local replanting of trees through Voies Navigables de France (VNF), the public body responsible for managing France's navigable waterways. We are also committed to protecting biodiversity through the Act4Nature International initiative.

GOVERNANCE

HUMAN CAPITAL

ENVIRONMENT

EXTERNAL STAKEHOLDER RELATIONS

Gender equality (SDG 5)

Women make up 45% of CLS's managers and 41% of employees in France.

Decent work (SDG 8)

CLS provides competitive insurance benefits. We pay more than 95% of supplementary health and disability premiums, and there's no waiting period for sick or disability leave.

Consumption and production of renewable energies (SDG 7)

CLS headquarters is powered 100% by renewable electricity and four electric vehicle charging stations have been installed.

Responsible consumption and production (SDG 12)

CLS headquarters has equipped itself to sort waste.

Climate action (SDG 13)

CLS is closely tracking its environmental footprint and deploying initiatives to curb its greenhouse gas emissions (limiting long-distance travel and promoting 'soft' mobility solutions).



Our challenges

CHALLENGE N° 1 Update our list of non-financial issues and risks.

We have to meet this challenge every year: without an up-to-date risk map, we can't effectively implement our long-term CSR strategy. First, we assess our non-financial risks by listing our non-financial issues and their impacts on the company's business, the risks and opportunities they imply, and our stakeholders' expectations in order to establish a materiality matrix of our non-financial risks. Then we focus on the issues that constitute the greatest risks for CLS and

each of its subsidiaries according to the Management Committee's assessment.

These regular updates help us to fine tune our key performance indicators every year and make our Non-Financial Performance Statement a tool for managing the company's non-financial risks.

CHALLENGE N°2 Sustain our mission through the goals set and advice provided by the Mission Committee.

By adopting the status of mission-driven company, CLS is committed to pursuing its activities in line with its commitments.

CHALLENGE N°3 Continue globalizing our CSR practices, which means developing a CSR strategy specific to each subsidiary in harmony with our overall strategy.

Even though each subsidiary faces its own issues, we inform them of the CSR commitments we've made to our stakeholders. We prefer to work at the group level to include all of our internal stakeholders, but we also respect each of our subsidiaries' local culture and issues.

The information in this statement concerns France and, for the second year in a row, CLS's Italian subsidiary, TRE Altamira. A CSR correspondent has been appointed for Italy, Spain and Canada. The challenge facing us in the year ahead will be to extend this approach to our two most recent acquisitions, CLS Southern

Africa and Meteodyn. We hope to eventually to include all of our foreign subsidiaries in this statement and to define key performance indicators for each of them.

CHALLENGE N°4 Adapting to new European non-financial reporting regulations.

We will be particularly attentive to the changes brought by the Corporate Sustainability Reporting Directive (CSRD).

WE ADDRESS ALL MANDATORY TOPICS IN THIS DOCUMENT

Only combating food waste and responsible, fair and sustainable food are again excluded this year as not relevant to our business.



CONTRIBUTORS TO THIS COP

This year our CSR officer is once again in charge of writing this statement. Our legal & compliance director; human resources director; health, safety and environment (HSE) manager; quality manager; procurement director; and data protection officer were also closely involved.

This Non-Financial Performance Statement covers the following issues based on their materiality:

- Labor relations
- Employee training
- Attractiveness
- Employee health and safety
- Environmental management
- Protecting biodiversity
- Battery processing
- Cybersecurity
- General Data Protection Regulation (GDPR)
- Combating corruption

CLS, A mission-driven company

Everything began in 2016 with the launch of our transformational Odyssey 2018 project to affirm our strategy, build the right organization, and reinvent how we work together. We then defined a brand statement to match our company's values and vision. In 2020, we decided to embed our mission in CLS's corporate bylaws. In 2021, we accomplished this task by incorporating our rationale and goals in the bylaws.

Our goals are founded on four pillars:

PLANET

Deploy space-based solutions to raise awareness of the fragility and richness of our Planet and to preserve its resources and biodiversity for future generations.

ORGANIZATION

Federate our people around our values of commitment, trust and agility within an efficient and responsible organization serving the planet and humankind.

INNOVATION

Engage the skills needed to develop innovative solutions based on cutting-edge space and digital technologies to drive sustainable growth.

HUMAN

Recognize and reward our people to foster their well-being in a respectful and tolerant work environment geared toward building an international environmental project together.

OUR MISSION COMMITTEE

A range of complementary profiles and expertise closely aligned with the company's mission and goals.

External members



Laurence MONNOYER-SMITH
Director of Sustainable Development & Performance at CNES, the French space agency – Committee Chair



Alexandre CADAIN
Founder of Anima, a disruptive innovator seeking to transform business practices through AI



Anny CAZENEUVE
Fellow of the French Academy of Sciences, expert in space oceanography and former IPCC member



Jean-Louis ETIENNE
Adventurer and physician, conceptor of world-renowned scientific projects



Alain MAURIES
Human Resources Advisor at ONEIDA, a group specializing in transformative projects



Caroline PIHAN
Deputy Director of the Initiative et Finance sustainable investment fund

CLS members



Jean-Rémy FRANCOIS
Operations project manager, Mobilities BU – Employee member



Stéphanie LIMOUZIN
Deputy CEO, Business Development



OBJECTIVE ACHIEVED IN 2021

CLS officially adopts the status of mission-driven company



ACTIONS FOR 2022

Join the Community and Observatory of mission-driven companies

Launch of Odyssey 2018 transformation project
definition of rationale

October 2020
Rationale distilled into bylaws objectives (4 pillars)

February 2021
Bylaws objectives translated into operating objectives

18 May 2021
Company bylaws amended
Officially registered as mission-driven company

June 2021
Mission Committee formed in line with corporate challenges
Employees in France and all subsidiaries invited to stand

December 2021
Mission Committee kickoff meeting

A naturally eco-friendly business

The projects CLS teams are working on add high environmental and social value—a great source of pride for all our employees.

MEASURING GLOBAL WARMING

With more than 90 oceanographers and nearly 35 years of experience in satellite radar altimetry, CLS can accurately measure the slightest motion in our seas and oceans. We use our observations to calculate a key global warming indicator: the mean sea-level change curve (average increase of 3.4 mm/year). This curve, produced jointly with the French space agency CNES and the LEGOS space geophysics and oceanography research laboratory and released since 1992, is one of the best indicators of global warming.



13,000 scientific transmitters send data to CLS for processing every month

MARITIME SURVEILLANCE

CLS also helps its clients understand, prevent, and comprehensively manage maritime events and activities that may affect the safety and security of goods and people, enforcement of the law of the sea, defense, border control, protection of the marine environment, fishing control/inspections, and governments' economic and political interests.

Marine pollution has been significantly reduced thanks to the Vigisat maritime surveillance service deployed by CLS for the European CleanSeaNet service.

IN THE NEWS IN 2021

Our subsidiary WHG delivered numerous studies for cities—Boston, Ipswich, Marsfield, Eastham, Sandwich, Braintree, etc.—looking for ways to adapt to climate change.

COMBATING ILLEGAL FISHING

Using tools that combine satellite observations, numerical models and real-time data collection and location systems, CLS is helping many governments to achieve rational fisheries management, deploy solutions to combat illegal fishing and implement plans for sustainable fisheries management.



3,500+ CLS transmitters were distributed to track fishing vessels around the world



15,000 fishing vessels are now tracked every month

MANAGING ENERGY PRODUCTION

CLS is supporting offshore energy players engaging an environmentally friendly approach by deploying and operating products and services based on space and in-situ oceanography, radar interferometry, location and data collection.

CLS's solutions are supporting eco-friendly approaches in the energy sector and helping to monitor civil engineering structures. We do this by closely studying sites before work begins, forecasting currents and potential ground displacement. Since 2020, CLS has expanded its range of offshore windfarms and solar energy products and services.

MONITORING AND PRESERVING BIODIVERSITY

CLS helps protect many threatened species. Our Argos data collection and location system helps the scientific community, NGOs, and governments to measure biodiversity. We are currently working on a number of projects, tracking reindeers and horses in Sakha, Siberia, sheeps in Spain, and whale sharks in the Galapagos.



150 000+ animals tracked since CLS began operating



20,000 Argos tags sending data every month

IN THE NEWS IN 2021

CLS signed its first contract for an offshore wind energy deliverability study (SARWind) for the French Ministry of Ecological Transition's Directorate General for Energy and Climate (DGECC).



**SPOTLIGHT ON SDG 7
Accelerating access to affordable, reliable, sustainable, modern energy for all**

Through its acquisition in 2021 of Nantes-based firm **Meteodyn**, also present in China, India and North America, CLS has stepped up its efforts in support of SDG 7.

The goal for 2022 is to develop our land and sea windfarm business through CLS/Meteodyn's portfolio of services around the world.



ACT4NATURE

Signing Act4Nature's 10 common commitments is embedded in our wish to keep our longstanding commitment to protect biodiversity. CLS has set ambitious goals in this respect, which you can read about [here](#). One of our commitments is to make protecting biodiversity a key corporate value. We measure and monitor biodiversity and are committed to acting as a responsible natural resource manager. Preserving animal welfare is fundamental for CLS.



ACTIONS FOR 2022

Consider putting more beehives at our facilities



SHORT-TERM OBJECTIVES

- Continue deploying our biodiversity preservation action plan
- Continue actively monitoring our birdhouses and bat house with the application provided by VNF



ACT4NATURE ACTIONS

Two beehives installed at the Vigisat antenna site in Brest

An amateur beekeeper led a series of discovery and awareness-raising workshops for CLS employees in 2021. They donned the beekeeper's protective clothing and learned all about life inside the hive and what beekeeping actually involves through the seasons.



Four birdhouses and a bat house installed on the Toulouse site

As part of VNF's Canal Observatory initiative (<https://observatoireducanal.com>), we received four birdhouses and a bat house that were installed along the Canal du Midi. We will be keeping a close eye on these nesting sites during peak periods of activity and sharing our observations via a dedicated smartphone app.

Flowers planted for honey bees and an insect house installed on the Toulouse site





2021 NEWS

END-OF-YEAR COMMITTED GIFTS: A TREE FOR EACH EMPLOYEE!

In partnership with **Treedom**, CLS gives each employee a tree to create a company "forest". Each tree is photographed and geolocated. Treedom works with local communities, NGOs and small farmers' cooperatives to obtain trees all over the world.

Environmental benefits

The trees are planted by agro-forestry projects encouraging virtuous interaction between species and sustainable use of resources.

Social benefits

Rural communities taking part in these projects receive training and funding to tend to the trees and harvest the fruits.

TREEDOM

Treedom is contributing through planting trees in Asia, Africa, South America and Italy to 10 of the UN Sustainable Development Goals (SDGs): No Poverty, Zero Hunger, Quality Education, Gender Equality, Decent Work and Economic Growth, Responsible Production and Consumption, Climate Action, Life on Land, Reduced Inequality, and Partnerships for the Goals.

CLS FOREST

800 trees planted in 4 countries (100 in Cameroon, 200 in Colombia, 200 in Kenya and 300 in Tanzania): -215,200 kg of CO2

The trees we have planted have the capacity to draw down enough CO2 from the atmosphere to fill 1,121 trucks.

2021 NEWS

Co-innovation works challenge

For the 2021 co-innovation works challenge involving CLS's subsidiaries, two proposals were selected:

- Taking its cue from the e-gear project, CLS Southern Africa developed a custom solution to save whales.
- A unique combination of expertise—WHG, CLS (Toulouse/Lille), and Tre Altamira—was devised to manage flood risks.

COMBATING MARINE POLLUTION

CLS helps prevent, monitor, and reduce ocean plastic pollution. Our expert oceanographers have developed solutions that really make a difference for coastal municipalities. Using data from meteorological and oceanic models, they derived a plastic drift model (Mobidrift) that can predict where plastics will wash up and where the pollution will be concentrated.

Most of CLS's actions in this domain are being pursued in Indonesia through the project led by our subsidiary CLS Indonesia, with funding from the French development agency AFD and the World Bank.

CLS deployed 70 Argos drifting satellite buoys from the mouths of three Indonesian rivers. By noting each buoy's position every hour, we were able to follow their trajectories and precisely determine where they would wash up or accumulate.

We intend to extend this approach to other countries.



E-GEAR PROGRAM

CLS also helps to combat ocean plastic pollution through its e-gear project in partnership with the French oceanographic institute Ifremer. Fishing gear is connected by satellite to help fishing crews with their daily work and reduce plastic pollution and ghost fishing. By knowing where their gear is, fishing crews will reduce their carbon footprint and the risks associated with deep sea fishing.

In 2021, CLS officially joined the United Nations Global Compact's **Global Industry Alliance** (GloLitter Program) to promote the e-gear program.



Optimizing labor relations

CLS's core business is driven by people with a passion for high-tech projects that create value for society. With this in mind, senior management must maintain and demonstrate its readiness to remain attentive to the needs and interests of its employees. Good labor relations bring peace of mind and stability, while ensuring the company's economic health.

POLICY

CLS is striving to increase its employees' sense of worth by involving them in the company's governance and through tools that foster in-house dialogue. Here's how.

HR policy in 2021 was guided by the same principles as since 2018, based on five roadmaps for labor relations, HR development, attracting and retaining talent, compensation/benefits and subsidiaries.

DIALOGUE AND COLLECTIVE NEGOTIATION

Regular meetings are held with employee representatives, on a monthly basis for staff delegates and the Economic and Employee Relations Committee (CSE) and Work Health and Safety Commission (CSSCT).

The overseeing Executive Board meets weekly and the Management Committee twice a month. Information thus flows down from Committee members to all of the company's employees.

NURTURING IN-HOUSE DIALOGUE AND CORPORATE CULTURE

Friendly workspaces

Our buildings include places where employees can chat in a friendly atmosphere and collaborative workspaces (agora, auditorium, cafeterias, innovation space).

Annual conventions

Two digital conventions were held this year in March and December.

The purpose of these events is to share the company's successes, results and market position, and its prospects and vision for the future. We invite all of our employees and the representatives of our offices and subsidiaries to present the previous year's results and their future goals and topics for research and development.

SUPPORTING SUBSIDIARIES

CLS's subsidiaries get HR support on a monthly basis.

Employees at our Lille-based subsidiary SIRS, integrated at the start of 2021, received especially close support. At Prooceano in Brazil, dedicated monthly meetings were instituted. This year was also marked by the closure of our Novacom Europe subsidiary.



MEDIUM-TERM OBJECTIVES

- Harmonize HR management across our sites around the world
- Foster cooperation, collaboration, and interaction among BUs and support functions

IN TUNE WITH MANAGERS

CLS instituted monthly HR-manager meetings four years ago. Our goal was to strengthen first-line management and give managers as much information as possible so they can lead their projects and support their teams.

Managers are also invited to express their views through the Voice of Customer Manager survey, which will henceforth be conducted only every two years now that the Engagement Survey is in place. The next one will therefore take place in 2023.

KEY PERFORMANCE INDICATOR

71.2% of managers completed the Voice of Customer Manager survey in 2021 (up 21.2% on 2019)

ENGAGEMENT SURVEY

CLS France conducted its first Engagement Survey in 2020. This type of survey will be renewed every two years.

The goal was to provide a means of expression for employees on issues fundamental for CLS, while also measuring their views and sense of wellbeing at work.

Topics covered were: onboarding of new employees, their sense of worth and career development, the company's reputation, work pace and organization, teleworking during the health crisis, equipment and offices, interpersonal relationships, supervision/management, interviews, career management, training, pay and benefits, in-house communication, and overall company assessment.

We were thus able to complete a comprehensive survey of all CLS's employees in France.

An external audit also looked at our corporate strategy, contract management and cross-functional organization. In 2022, we will keep working to improve our Engagement Survey (work organization, pay, career management, etc.).

KEY PERFORMANCE INDICATORS

- 78% of our employees completed the Engagement Survey in 2020 (327 of 421 surveys returned)
- 86% are satisfied with their employer and their jobs

CLS earned a rating of 7.2/10 (26th of 117 companies ranked by People Vox)



OBJECTIVE ACHIEVED IN 2021

Rollout of action plan based on the results of the Engagement Survey



OBJECTIVES... FOR 2022

- Expand the Engagement Survey to the whole group
- Increase participation in our Engagement Survey (more than 78%)

...FOR 2023

- Increase participation in our Voice of Customer Manager survey (more than 71.2%)

CONTINUING TO APPLY AGREEMENTS

Working time agreement

The working time agreement we signed in November 2018 has made it possible to maintain fair and respectful working conditions by offering full or reduced working time to the employees who were with us then.

Teleworking agreement

Our teleworking agreement, signed in September 2019, took effect in January 2020 and aims to improve employees' work/life balance while making CLS more attractive to job seekers. They can now opt to telework two days a week.

Workplace health and well-being agreement

Negotiations on health and well-being at work and work/life balance continued in 2021 and will be completed in 2022.



KEY PERFORMANCE INDICATOR

Of the three agreements under negotiation in 2021, all three were signed





Promoting diversity

Diversity permeates everything CLS does, involving every employee and partner, driving economic and social performance while leveraging individual differences to boost cohesion and well-being in the workplace.

POLICY

Diversity is one of CLS's top priorities. Non-discrimination is one of our founding principles and an integral part of who we are.

Our goal is to manage our human resources without any bias, with equal opportunity as our watchword evidenced by fair and equitable employment policies.

PERMANENT OBJECTIVE

Pursue our efforts to combat discrimination in all its forms.

DIVERSITY CHARTER

By signing this charter in 2020, CLS committed to combating all forms of discrimination, promoting diversity in the workplace, and maintaining and expanding its anti-discrimination efforts.

This charter goes beyond what anti-discrimination laws require.

A survey was sent out to all the charter's signatories to gauge its impact and identify major diversity trends.



INDICATORS THAT SHOW OUR COMMITMENT

We have around 30 different nationalities among our employees. Our age pyramid goes from under 20 to over 60.

GENDER EQUALITY AT WORK, A PRIORITY

In 2019 we signed a company-wide gender equality agreement designed to eliminate or at least reduce inequalities. It covers the following topics:

- Rates of pay
- Promotions
- Access to training
- Work/life balance

In 2021, CLS again scored high on the Gender Equality Index.



KEY PERFORMANCE INDICATOR

Gender Equality Index score in 2021: 89/100 (94/100 in 2020).

The five-point drop was due to fewer women among the company's ten highest-paid people.

DISABILITY ACTIONS

CLS has 9 employees with disabilities. We are working with a temping agency specialized in recruiting people with disabilities.

We are also emphasizing our desire to promote the employment of people with disabilities as we negotiate the Workplace Health and Well-Being Agreement.

And in 2021 we continued our partnership with a food-service company that employs people with disabilities.

CLS is also concerned about disability issues in sport and has renewed its sponsorship of Stade Toulousain Rugby Handisport.

We intend to launch a disability awareness campaign soon to find out if any of our employees have disabilities that we are as yet unaware of.



OBJECTIVES FOR 2022

- Maintain a high level of women in management positions in France (45% minimum)
- Maintain a high score on the Gender Equality Index (85/100 minimum)





Supporting fulfilling careers

HELPING EMPLOYEES GROW THEIR CAREERS

CLS is proud of its talents and depends on them. And at a time when certain job profiles are proving hard to fill, it's even more vital to retain our best and brightest people. The skills of our employees are the company's most valuable asset. Losing talent constitutes serious risks, so our HR teams are working hard to make CLS a place where people want to stay. This means we intend to devote significant budgets to developing our employees' skills and offering them attractive career prospects.


POLICY
CLS aims to retain its talents by identifying their training and development needs. Here's how.

OUR VISION
CLS believes that learning, growing, and improving are the keys to a fulfilling career. To determine what our employees need in the way of training and career development, we've instituted a procedure that involves the employees, their managers and directors, and the HR department.


CONTINUOUS EMPLOYEE TRAINING
Tracking progress
The administrative management of CLS's training program has been handled by a specialized external partner since 2018. Managers and the HR department thus have a powerful tool to keep track of the plan's progress and obtain a full range of statistics.

Assessing needs
CLS identifies key individuals and potential hires who will need specific training. This gives us a medium-term view in case an employee leaves.

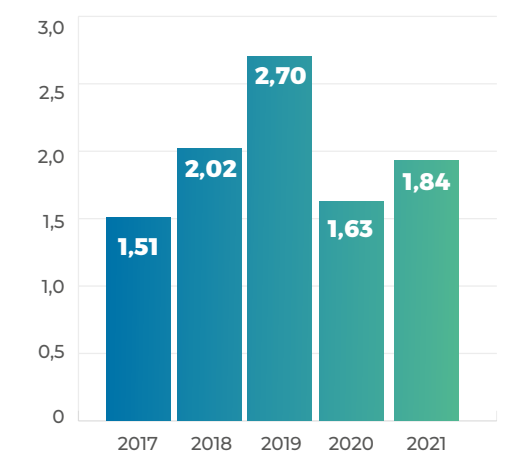
Training goes digital
In 2021, we instituted our "Rise Up" digital learning platform to accommodate all employee training. Each employee thus has an individual account to develop their career.


 **507 user accounts** created in 2021


Next steps
A mobile application and the translation of training courses into several languages.


 **KEY PERFORMANCE INDICATORS**

- **9.7 hrs. of training** on average per employee trained (vs 14.40 in 2020)
- **87% of employees** received training in 2021
- Percentage of payroll allocated to employee training: **1.84%** in 2021



 **PERMANENT OBJECTIVE**
Identify and meet employees' training needs

 **OBJECTIVE ACHIEVED IN 2021**
Rollout of Rise Up online training platform

 **OBJECTIVES FOR 2022**
Digital training:
• Use of Rise Up platform:
- At least twice a month/trainee
- Total connection time of 14 hrs./year/trainee
• Connect our subsidiary Tre Altamira to the platform

INDIVIDUAL DEVELOPMENT PLAN
Each employee receives tailored support. Their Individual Development Plan is drawn up jointly by the HR department, the manager and the employee, setting specific goals for support, training or implementation, over a fixed period ranging from four to six months.

This type of plan is intended primarily for employees moving into supervisory or managerial positions or who need to develop specific skills.

The employee's progress is regularly monitored to make any necessary corrections and ensure the plan's success for both the employee and the company.

 **OBJECTIVE ACHIEVED IN 2021**
First mobility leave granted after establishment of "GEPP" agreement

NOTEWORTHY INDICATOR
96% of CLS France and **90%** of CLS employees have received an annual individual assessment.

TAILORED CAREER PATHS
Following the signature of the agreement on job and career path management (GEPP), paths have been established and linked to job descriptions in line with the profiles and skills that will be required in the future.

Job titles have been harmonized and employees can now access their job descriptions under the HR/pay software and talk about it with their manager. Key, sensitive and scarce skills, as well as jobs in decline, have also been identified.

The goal is to be ready for the changes coming in 2022 to the job categories in the metalworking industry's collective bargaining agreement.

CLS offers various dedicated training programs:

- "New Managers" to support new managers as they move into managerial positions and take on new responsibilities, supplemented by the Managers Charter
- "Commercial"
- "Customer Service"
- "Project Manager," developed this year in partnership with our Quality team

 **ACTIONS FOR 2022**

- Continue to deploy "GEPP" agreement
- Deploy HR digital transformation plan

 **KEY PERFORMANCE INDICATORS**

- **95%** of employees say their right to disconnect is respected at CLS
- **96%** believe they have a good work/life balance at CLS.

Results of the 2020 day-based interview



Retaining our talents

We are managing jobs and skills to support growth and get CLS ready for the future. Retaining our talents is vital, as high levels of turnover lead to a loss of expertise, generating significant recruitment and training costs.

POLICY
Provide HR support to employees throughout their careers at CLS. Attract and retain talent by creating a work environment that promotes well-being and creativity. Offer benefits and opportunities whenever possible. Here's how.

EFFECTIVE ONBOARDING

To help new employees transition smoothly into their jobs at CLS from day one, our HR department has created an onboarding program. During their first months in the company, they thus acquire additional "in-house" skills and knowledge, learning our processes and procedures and gaining an understanding of where CLS came from, where it's going, and how it will

get there. New hires are given a booklet containing all the information they need during their first few days to get to know their new workplace.

CONSTANTLY REFINING COMPENSATION

Work on a new compensation policy in line with career profiles and job categories is continuing. Our HR teams are analyzing jobs to further improve our compensation policy and ensure that it is fair and equitable.

OBJECTIVE ACHIEVED IN 2021

Careers page revamped on the company's website and LinkedIn page.

KEY PERFORMANCE INDICATOR

88% of employees are satisfied with their onboarding

Engagement Survey 2020

ACTIONS FOR 2022

- **Digitalize the onboarding process:** news, outreach and quality process on our online training platform
- **Keep on updating our hiring tools to attract new talent** through a stronger social media presence
- Find out what **future generations** are looking for so we can keep them with us

OPTIMAL WORK CONDITIONS

CLS provides competitive insurance benefits. We pay more than 95% of supplementary health and disability premiums.

There's no waiting period to be eligible for sick or disability leave, and we also give our employees a lot of time off if their children are sick.

CLS has also renegotiated a time savings account agreement so employees can use their accounts to take early retirement, progressively reduce their working time as they approach retirement, take additional days off for personal reasons, or switch to part-time status for up to six months for exceptional family reasons.

The new PERCOL savings plan gives employees extra options.

ACTIONS FOR 2022

Provide supplementary health and disability cover for all CLS employees

OBJECTIVES FOR 2022

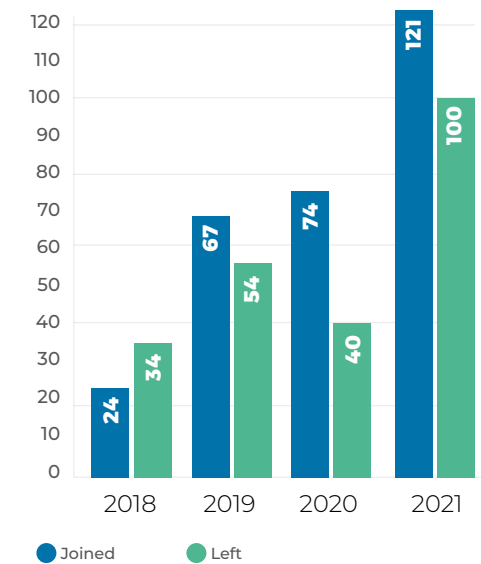
- Maintain company-wide turnover rate below the sector average
- Increase percentage of new hires satisfied with their onboarding to 90%

KEY PERFORMANCE INDICATOR

Annual turnover (employees joining and leaving in 2021):

- 10.06% in France vs 10.07% in 2020
- 9.35% at Tre Altamira vs 8.16% in 2020

Changes in Permanent Contracts



FOCUS ON CHOOSE MY COMPANY®, HAPPYINDEX® TRAINEES

CLS was named a favorite company by interns and work/study trainees in the ChooseMyCompany ranking (category: 20–49 students)





Employee health and safety

Employee health and safety is a priority for CLS. Workplace health and safety risks are a key concern, as the company could be held liable under civil and/or penal law for regulatory non-compliance. It also runs the risk not only of losing its talents, but also of being fined or in the very worst case convicted in the criminal courts. Providing the safest possible conditions for our employees is therefore fundamental to their well-being at work.

POLICY
Employers have the obligation to ensure their employees' health and safety through prevention, information and training actions. CLS is committed to taking all possible steps to protect its employees' safety and physical and mental health. Here's how.

HSE POLICY TO REDUCE RISKS
CLS has identified health and safety risks of closest concern. These include risks related to business travel, handling electrical equipment and work-related stress. Our health and safety manager is in charge of enforcing CLS's health and safety policy and works with the Work Health and Safety Commission (CSSCT) and Human Resources to continuously improve working conditions.

GUIDELINES FOR BUSINESS TRIPS
CLS has drawn up a formal Business Trip Policy that is particularly important for salespeople traveling to high-risk countries. We conduct geopolitical risk assessments and give a guide with key recommendations to all employees who travel abroad.

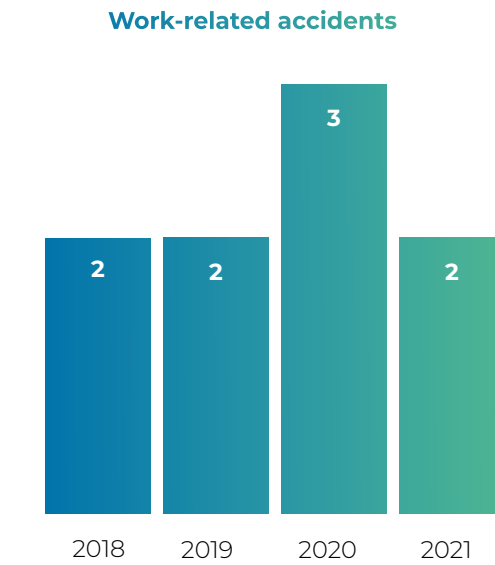
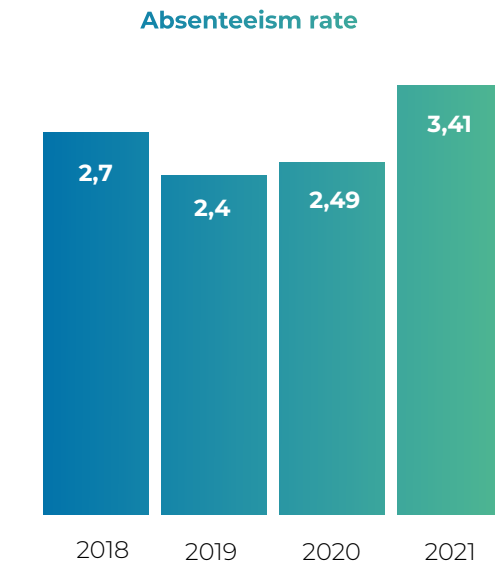
EMPLOYEE TRAINING
In the first semester of 2021, 40 people received training in Toulouse on how to use fire extinguishers and conduct emergency evacuations of the building. HSE training was also provided for all employees at our Brazilian subsidiary Proocean.

OBJECTIVE ACHIEVED IN 2021
Strict compliance with electrical and working-at-heights clearances was strengthened for all staff in Toulouse, Brest and Lille.

KEY PERFORMANCE INDICATORS

- Workplace accidents:**
In 2021, there were 2 workplace accidents, neither requiring time off work. Our frequency rate and severity rate for the year were therefore zero.
- Change in frequency rate:**
0 in 2021 vs. 1.46 in 2020
- Change in severity rate:**
0 in 2021 vs. 0.05 in 2020
- Absenteeism in 2021 (France):**
3.41% (vs 2.49% in 2020)

- ACTIONS FOR 2022**
- Establish company-wide HSE policy
 - Develop structured and systematic communication on HSE issues
 - Train employees in Brest and Bidart to use fire extinguishers and conduct emergency evacuations
 - Further increase employees' first-aid awareness



- PERMANENT OBJECTIVES**
 - Reduce accident frequency rate
 - Reduce severity rate
 - Reduce absenteeism
- NOTEWORTHY INDICATORS**
 - 100% of periodic regulatory inspections maintained
 - 128 inspections covering all of our technical facilities
- SHORT-TERM OBJECTIVE**
Maintain absenteeism rate below 4%

TAKING CARE OF EMPLOYEES

To prevent work-related stress risks due to isolation from teleworking, a psychological support unit was set up in 2020 in response to the Covid-19 pandemic.

This unit is still active in 2021 and its scope has been extended.

CLS is also working closely with the occupational physician to detect and treat any disorders employees might be suffering from. A program has been set up to adapt workstations and prevent musculoskeletal disorders.

OPTIMIZING THE WORK ENVIRONMENT

Well-designed premises

Our employees in Toulouse have been working in completely renovated buildings since 2018.

The premises were designed and built as a series of co-working spaces, with a succession of modern meeting rooms equipped with the latest audiovisual systems and individual work areas. To get as much natural light as possible, we opted for large windows. The co-working areas promote interaction. There is a place to relax on every floor and a cafeteria on the ground floor with an outdoor terrace.

A space dedicated to innovation and creativity has also been arranged to

encourage employees to craft their future projects. We plan to redesign the layout of this space in 2022.

Following our Lille team in 2020, it was the turn of employees in Bidart to move into their new premises designed with the same optimized work conditions in mind. Focused co-working spaces are thus provided for technicians, support and sales teams, who also share a kitchen.

Ergonomic fittings

All interior elements such as carpets, ceilings and partitions have been chosen for their soundproofing and insulation properties. All of the chairs and desks are height-adjustable, and we provided training on the best way to use this ergonomic furniture. We also provided silent keyboards and noise-cancelling headsets.

Employees in Bidart were given the same ergonomic consideration when they moved into their new premises.

EQUIPPED FOR TELEWORKING

Employees comfort remained a high priority with increased teleworking.

We distributed the equipment needed for all concerned employees to work from home in the best conditions.



ACTIONS FOR 2022

Continue to work on optimizing use of our premises, notably in response to the changes brought about by teleworking.



KEY PERFORMANCE INDICATORS

- More than 85% of our employees are satisfied with their work environment in general (office setup, equipment, lighting, cleanliness, etc.), with the co-working areas, and with the relaxation areas. They feel they have the resources and tools they need to work efficiently.
- 81% of our employees think CLS is a company that cares about its employees' well-being.

Engagement Survey 2020



SHORT-TERM OBJECTIVE

Improve 85% satisfaction rate of our employees



Environmental management

Our employees are working hard to save the planet, so we naturally make a special effort to limit and reduce our own environmental footprint, at the same time helping us to anticipate related financial and regulatory issues.

POLICY

Reduce our environmental footprint. Here's how.



PERMANENT OBJECTIVE

Maintain or reduce our current level of consumption despite our growing staff

REDUCING OUR FACILITIES' ECOLOGICAL FOOTPRINT

We've had an environmental database linked to our energy use since 2017.

Direct emissions come primarily from the electricity that powers and cools our data centers.

Decreasing water and energy consumption

CLS uses Ubigreen, a digital system that measures electricity and water consumption using weather sensors. Ubigreen helps us determine how our facilities use electricity and water and make them more energy efficient. We will start monitoring consumption in a similar fashion at our Lille facility in 2022.

Optimizing data center consumption

In 2021, we changed the infrastructure of one of our data centers to optimize the cooling process. We were thus able to increase the control temperature from 19°C to 21°C. This change is expected to bring significant savings in electricity and cooling water costs. A noteworthy reduction in both was observed in October and November 2021.

Using and producing renewable energy

To help develop renewable energies, CLS has opted to get its electricity from certified renewable sources. Since 2017 all of the energy we've used has been from renewable sources.

A new green energy supplier was selected for Tre-Altamira's Italian and Spanish facilities.

In 2021 our solar panels also produced 8,608 kWh of electricity (vs 8,046 kWh in 2020)



OBJECTIVE FOR 2022

Aim to achieve electricity consumption of less than 4,000 kWh/year/employee



KEY PERFORMANCE INDICATORS

Energy consumption in kWh/year/employee in 2021:

2,226,343 kWh in total for 553 employees [France except Lille (41) and Meteodyn (32), i.e. 463 + 90 on-site providers]

So approx. 4,000 kWh/year/employee (vs. 4,300 kWh/year/employee in 2020)



ACTIONS FOR 2022

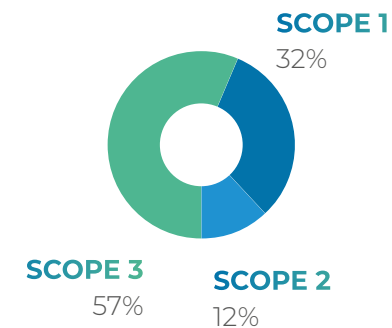
- Include our Lille facility in analysis of energy consumption
- Exploit Ubigreen data by determining KPIs to monitor our water and electricity consumption
- Ensure compliance with regulations concerning tertiary facilities and establish a roadmap for this purpose, with a view to stepping up our approach to reducing consumption.



NOTEWORTHY INDICATOR

Annual reduction of each scope of greenhouse gas emissions, with details of the main sources

Breakdown of CLS's GHG emissions per scope (Toulouse site, 2021, and breakdown of ISO 14064 scopes)



OPTIMIZING WASTE MANAGEMENT

Sorting our trash

CLS put bins for three types of waste—paper and cardboard, plastic, and miscellaneous trash—in all its French facilities in 2019. We refined this system in 2020, adding bins for aluminum cans and small cardboard packaging materials. All of our French offices sort their trash this way. In 2021, CLS took part in the survey on non-hazardous waste conducted by the national statistics institute INSEE.

At Proceano, the move to new offices in Rio de Janeiro in 2022 will offer the opportunity to start sorting waste and monitoring water and electricity consumption.



NOTEWORTHY INDICATOR

1,940 kg of WEEE (waste electric and electronic equipment) was collected at our Toulouse site in 2021 (vs 284 kg in 2020)

This sharp increase over the previous year was due to significant returns of hardware for servicing and the disposal of IT equipment.

Going paperless

CLS started systematically using electronic signatures in 2020.

This has sped things up and simplified them considerably. Printing on paper has decreased markedly, a trend that will see the number of printers at our facilities halved in the years ahead.

IT equipment donated to associations

In 2021, we donated unused screens and PCs to a number of non-profit associations. CLS intends to pursue this policy in 2022 and continue giving unused hardware a second life.

Following the move of the Bidart team, humanitarian association AIMA (Allons Imaginer un Monde d'Amitiés - www.aima-letrocoeur.org - http://aima.overblog.com) collected five cabinets surplus to requirements.

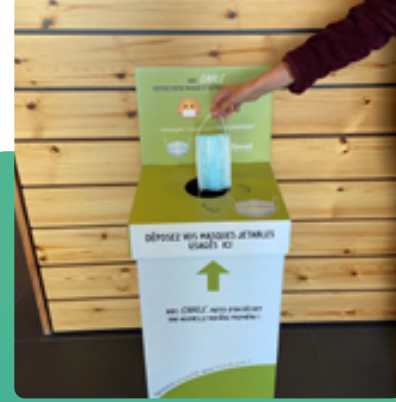


MEDIUM-TERM OBJECTIVE

Make donations systematic and enable maximum reuse of unused equipment.

2021 NEWS

150 category 1 face masks were donated to Toulouse-based association Droit Au Logement, which helps homeless people find somewhere to live.



SPOTLIGHT: COLLECTING AND RECYCLING DISPOSABLE FACE MASKS AT OUR TOULOUSE FACILITY WITH "SMILE"

In October 2021, collection points for disposable face masks were set up in several buildings at our Toulouse facility.

The goal is to help collect, sort and recycle this new kind of waste produced as a result of the Covid-19 pandemic by recovering masks at source from our employees and visitors.

After collection, the masks will be decontaminated, processed and recycled by the textile, construction and plastics industries.

Masks are collected by ENVOI Insertion & Handicap, which is supporting employment of people who are underprivileged, looking to find work or with disabilities, and helps them to develop a project leading to stable employment.

CURBING OUR TRAVEL FOOTPRINT

We established in 2017 that 61% of our carbon emissions were indirect and mainly due to travel.

Traveling responsibly

We focused our efforts again in 2021 on limiting our travel, especially long-distance travel.

CLS's transportation-related carbon emissions have dropped significantly since we started communicating by videoconference rather than in person.

Employees received training to optimize long-distance communication and document sharing. Using these means of communication has become customary at CLS, driving a considerable drop in business-related air and rail travel.

Encouraging electric vehicle use

Following the installation of free charging stations at our Toulouse facility, 20 employees have acquired an electric vehicle and regularly use them. The incentive therefore worked.

CLS is also encouraging its employees to use an electric-car rental app, especially for short trips (to the airport, train station, or city center). We notably used the app to run in-vehicle tests.

Promoting cycling

The company's Toulouse buildings are right next to the Canal du Midi. We provide lockers for recharging electric bicycle batteries, as well as changing rooms and showers for our cyclists. Our Brest facility will also soon be getting a bicycle garage in response to a survey of employees in 2021.

The CycloStand association also maintains and/or repairs staff's bicycles one day a month on the neighboring trading estate.

WORKING TOWARD DIGITAL EFFICIENCY

In 2022, we intend to begin working on ways to achieve better digital efficiency, reducing the consumption of our data centers and donating unused IT equipment as a first step in this direction.

CLS SIGNS CORPORATE CLIMATE CHARTER

As a signatory of the SICOVAL corporate climate charter, CLS is committed to following the 2019-24 Territorial Climate Air Energy Plan. The goal is to reduce GHG emissions by 60% by 2050, further develop renewable energies, improve air quality, use less energy, and start making the changes needed to adapt to climate change.



ACTIONS FOR 2022

- Sign digital responsibility charter of the Institut du Numérique Responsable
- Establish an action plan to track our progress on digital responsibility
- Deploy a mobility plan



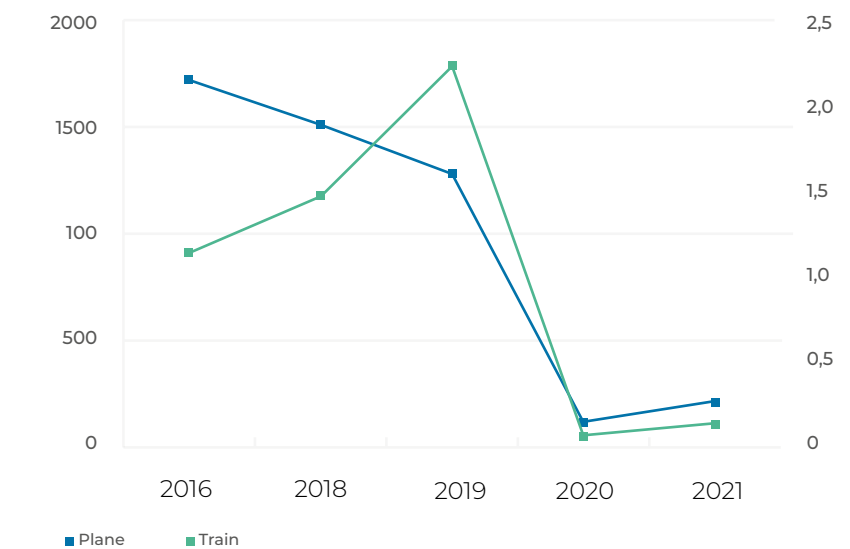
OBJECTIVE FOR 2022

Not to exceed 200,000 tons of CO2 from business trips

KEY PERFORMANCE INDICATOR

Business trip-related CO2 emissions (air and rail)

We emitted 213,720 tons of CO2 from air and rail travel in 2021 (vs 116,850 tons in 2020).



Battery processing

Our HSE Manager ensures that batteries used in CLS products are properly handled throughout their life cycle. This is a significant environmental challenge. Batteries contain electrolytes and heavy metals that become hazardous, toxic waste at the end of the battery's life. If batteries are not fully and cleanly recycled, they can pose a grave danger and become a source of pollution. Processing waste batteries is therefore essential to protect the environment.

POLICY
CLS ensures strict compliance with regulations governing end-of-life disposal of batteries and is even working across the enterprise to go one step further than regulatory compliance.

STRICT REGULATORY COMPLIANCE

Under European law on industrial and hazardous waste (IHW), CLS is responsible for this type of waste until it has been eliminated. Batteries must be collected in specific conditions for recycling.

Likewise, CLS has extended responsibility for WEEE (waste electric and electronic equipment). We are therefore keeping close track on any changes in applicable regulations in this domain to ensure our continuing compliance.

SEPARATE STORAGE FOR EACH TYPE OF BATTERY

At CLS we have three different tanks for storing three different types of alkaline batteries.

Our products contain alkaline batteries, lithium-ion batteries or lead batteries. Lithium and lead are chemically incompatible materials and must never come into contact, so they cannot be stored together. When these batteries have reached end of life, we therefore carefully store them in separate hermetically sealed tanks according to a secure procedure.

CLS sells two types of transmitters containing lithium batteries:

- drifting buoys set afloat in the ocean to follow the currents (primary, non-rechargeable lithium batteries)
- locator beacons/transmitters on boats or attached to floating devices (lithium-ion rechargeable batteries, recharged by an inbuilt solar panel in the case of NEMO transmitters).

TRANSPORT UNDER CLOSE SURVEILLANCE

Batteries are tracked throughout their life cycle. We also closely monitor our battery-equipped products during transportation.

They are transported by land, sea, or air according to specific procedures for each method of transportation.

APPROPRIATE TRAINING

In line with the regulations imposed by the International Air Transport Association (IATA) on the transport of hazardous materials, four CLS employees have been trained to safely package lithium. This training was renewed in 2021.

Employees who handle these batteries know that they must not leave the safe waste-treatment cycle or be mixed together.

BROAD APPROACH TO BATTERY DISPOSAL

CLS is looking more closely at its liability for managing waste batteries and what happens to the batteries we export. We are continuing to work on global and local solutions to this challenge, both for products we already sell—battery recovery policy and identification of collection points—and eco-design of future products.

MEDIUM-TERM OBJECTIVE

Overcome local constraints in countries with less-developed waste treatment systems so that CLS's battery handling practices can be followed in all of our international service centers.



NOTEWORTHY INDICATOR

No battery sent for recycling from our facility in 2021.

Our storage threshold wasn't reached during the year.



KEY PERFORMANCE INDICATOR – REGULATORY COMPLIANCE

100% of batteries arriving at CLS were processed in compliance with European regulations.

CIRCULAR ECONOMY

CLS has not identified any contribution to the circular economy directly related to its business. However, this topic is addressed in house at events like the European Sustainable Development Week, through awareness-raising and brainstorming sessions

Ensuring quality

As a service provider, CLS's success depends on its ability to meet clients' expectations effectively. The Group sees the performance of its quality system as a clear opportunity to lay the foundation for short- and long-term success.

POLICY

Satisfy the demands and needs of our customers through innovative solutions and provide them with the best available data. CLS makes every effort to deliver fully functional and timely solutions to its customers. We are constantly improving our products' and services' quality as well as our procedures. Here's how.

PERMANENT OBJECTIVES/MISSIONS

- **Delight our customers through innovative user experiences** (ISO standards and certification, data and services, customer satisfaction metrics)
- **Support our digital transformation** (co-working, document management, knowledge management)
- **Count on human capital** (train and inform people about their roles, build processes, organize lessons learned, support agility)

MEASURING CUSTOMER SATISFACTION

We measure our customers' satisfaction through surveys. Project leaders also communicate monthly reports to our Quality team.

In 2021, we continued digitizing our customer satisfaction surveys. A specific survey was conducted notably with customers of our Fisheries BU.

An annual program to measure customer satisfaction is in preparation with a view to extending surveys to all projects, products and services in the years ahead.



OBJECTIVE ACHIEVED IN 2021

- Measure customer satisfaction using the following metrics:
- One-time satisfaction (0 to 5 stars)
 - Customer experience (effort required to obtain satisfaction on a scale of 1 to 5)
 - Recommendation (Would you recommend CLS?)

QUALITY TRAINING FOR EMPLOYEES

Onboarding

- New hires receive specific training in the use of our in-house Quality tools. Their knowledge is assessed through a quiz:
- 87% of new hires in 2021 responded
 - 116 employees received in-house training on software development tools
 - 21 employees received tailored in-house training in Sharepoint

Priming project leaders for success

In 2021, 7 project leaders received additional training from an external provider.



ACTION FOR 2022

Train teams in charge of designing and fabricating hardware and software products



KEY PERFORMANCE INDICATOR

98% of our clients were satisfied with our projects in 2021 (impression of the project/business managers) vs 96% in 2020.

IMPROVING HARDWARE PRODUCTS

We hired a Hardware Quality Engineer in 2021 to:

- Step up supplier monitoring through production site visits, a formal waiver process, and annual Quality report
- Establish formal processes for product development and pre-production engineering
- Extend systematic quality control of hardware products (transmitters, terminals) to all of our products (wiring, etc.).



MEDIUM-TERM OBJECTIVES

- Continue CLS's agile and digital transformation
- Step up certification of our hardware products internationally



OBJECTIVE FOR 2022

Maintain customer satisfaction with projects at a minimum of 98%



Choosing responsible suppliers

The risks that go with supplier selection may be contractual and legal (fairness of practices, ethics and governance) or have a bearing on the company's reputation (human rights and labor law, environmental conservation). They may also be operational and financial.

POLICY

Ensure rigorous selection of our suppliers to ensure project success and quality of products and services. Here's how.

OBJECTIVE SELECTION CRITERIA

Each project at CLS has its specific requirements. That's why our supplier selection criteria are project-specific too. To select our strategic suppliers as objectively as possible, we use multiple criteria to evaluate their expertise, financial health, product quality, and commercial relations. They are chosen in particular on the basis of three CSR criteria:

- social (health & safety, resource management, job management, insertion/disabilities),
- environmental (distance from CLS, environmental management policy,

- waste management),
- cross-functional (policy and ambitions)

Objectivity is guaranteed by our systematic reliance on these criteria, which include assessments from various stakeholders. All of the Purchasing Department's choices to date have been based on these criteria.

ANNUAL SUPPLIER REVIEW

CLS wishes to pursue its strategy of regularly and intelligently reviewing its panel of suppliers. To this end, an internal contact person will be appointed for each supplier and asked to give an annual and reasoned assessment of their satisfaction with the supplier.

CSR COMMITMENTS IN WRITING

We include a business ethics clause in all of our manufacturing contracts with suppliers, committing them to uphold fundamental principles like respect for human rights, combating child labor and corruption, and protecting the environment throughout their relationship with CLS.

BUYING LOCAL

Our Purchasing Department gives priority to locally manufactured products. For example, our Nemo and Triton beacons are made in France.



OBJECTIVE ACHIEVED IN 2021

Drafted a responsible purchasing charter



ACTIONS FOR 2022

Conduct self-assessment against responsible supplier and purchasing relationship grid to establish our roadmap for 2023

Include CSR criteria for supplier selection in our main reference documents

CLS commitments to suppliers

Supplier selection:

- Increased vigilance regarding corruption
- Priority to local businesses
- Equal treatment of suppliers

Supplier relationship:

- Reduced risks of mutual dependence between CLS and its suppliers
- Non-disclosure of information communicated
- Respect for intellectual property rights
- Favor mediation

Supplier commitments to CLS

CLS expects its suppliers to:

- Guarantee human rights, labor law and social conditions
- Preserve the environment
- Ensure fair practices, ethics and good governance
- Protect personal data

RESPONSIBLE PURCHASING

Mapping of purchasing-related ESG risks

In 2020, the CSR team and the Purchasing Department mapped the risks and opportunities related to each type of purchase CLS makes against ESG criteria.

Responsible purchasing charter

We complemented our responsible purchasing approach in 2021 with a made-to-measure charter in two parts that is binding on CLS and its suppliers:



OBJECTIVE FOR 2022

Communicate our responsible purchasing charter to our 15 top suppliers in revenue terms

KEY PERFORMANCE INDICATOR

We are working on a KPI for the rollout of the responsible purchasing charter in 2022.

Combating corruption

CLS does business in countries deemed to pose significant ethics risks by organizations such as Transparency International. Moreover, our customers include governments and international cooperation agencies. With a clearly defined, effective compliance program, CLS can control these risks.

POLICY

CLS is developing its anti-corruption compliance program step by step, in accordance with the Sapin 2 statute of 9 December 2016, in order to ensure sound and transparent commercial and institutional relations. Here's how.

OUR ANTI-CORRUPTION COMPLIANCE PROGRAM

Corruption risk mapping

We map each identified risk scenario to a description of policies, procedures, controls and other supervisory measures.

Code of conduct

CLS incorporated a Code of Conduct into its internal rules in 2017. This code is an integral part of the company's rules and regulations, formalizing our best practices and projecting our values. The code is available in four languages besides French: English, Italian, Portuguese, and Spanish. Our Brazilian subsidiary Prooceano also drew up its own code of conduct in 2021.

Gifts and invitation policy

To provide employees with clear guidance on expected ethical practices.

Whistleblowing

The e-mail address **compliance@groupcls.com** lets employees report any conduct or situations contrary to CLS's anti-corruption compliance program.

Anti-corruption training

The online anti-corruption training set up in December 2020 for all group employees was fully deployed in 2021. The various modules discuss giving and receiving gifts and invitations, intermediaries, facilitation payments, patronage and sponsoring, and conflicts of interest.

Employees will be able to access this "anti-corruption pack" until the end of 2021 to consolidate learning.

Commercial partner evaluation and management

Our compliance team has put together a meticulous procedure for choosing our commercial partners. This procedure is applied to all of our subsidiaries by their designated compliance officer. The compliance team leaves nothing to chance and warns management at the slightest hint of alarm.

Prooceano has put in place its own commercial partner evaluation procedure in compliance with local regulations (due diligence survey and evaluation register).



OBJECTIVE ACHIEVED IN 2021

- We set up an online training program on France's Sapin 2 anti-corruption statute
- Compliance officers trained in our commercial partner evaluation and management procedure at each of our subsidiaries
- CLS Peru obtained ISO 37001 certification (Anti-bribery management systems)



ACTION FOR 2022

- Update our corruption-risks map
- Complete deployment of our commercial partner evaluation and management procedure



KEY PERFORMANCE INDICATOR

88% of CLS employees trained in anti-corruption



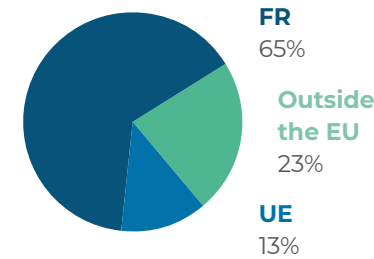
OBJECTIVE FOR 2022

Get more than 90% of employees trained in anti-corruption



NOTEWORTHY INDICATOR

Share of total purchases made in Occitanie region and France generally in 2021



CLS total purchases in 2021:

77% from the EU, of which 84% in France, 47% in Occitanie

Protecting data

Data security is a key issue for CLS. This is because our products and services depend entirely on our information system. Their added value stems from the diversity and volume of data we handle. Our ultimate aim is to maintain the trust of our users, customers and employees.

Securing our information systems

Information security is a prime concern for CLS. The threats from inside and outside the company are numerous. The risks related to IS security may be human (mishap, ignorance, malicious intent), technical (defects, failures) or legal (failure to ensure regulatory compliance).

POLICY
We are continuously improving our Information Systems Security Policy instituted in 2015. Here's how.

A POLICY COMMUNICATED IN WRITING

All CLS employees must comply with our Information Systems Security Policy (ISSP) and all of our related security charters (Information Security, Office Equipment, and Administrator), which they are required to sign electronically.

RAISING AWARENESS, TAKING PRECAUTIONS

As we do every year, in 2021 CLS ran a campaign to raise employee and provider awareness about information system security. This year's campaign took the form of an e-learning module.

NOTEWORTHY INDICATOR

82% of CLS personnel attended awareness sessions on information systems security in 2021 (vs 62% in 2020).

PERMANENT OBJECTIVE

Strengthen security tools

A STRUCTURED OPERATIONAL ISS TEAM

The team overseeing information system security is composed of an Information Systems Security Manager (ISSM), Information Systems Security Officers (ISSO) in each CLS department and subsidiary, and outside experts who provide support and conduct audits.

CONTINUOUS MONITORING

CLS uses software tools to continuously improve security, including a vulnerability scanner, a software code verifier, and monitoring and security tools. We also conduct internal audits with support from external experts and allow our clients to conduct security audits.

KEY PERFORMANCE INDICATOR

Percentage of CLS personnel attending IS security awareness-raising sessions in 2021 up 20 points over 2020, an increase by 32%

We are once again not announcing a key performance indicator for this risk because it would require us to disclose confidential information (such as the number of security alerts). For security reasons, CLS prefers not to make this public.

ISO 27001 CERTIFICATION

In January 2020 CLS obtained ISO 27001 (Information Security Management System) certification for the way it controls access to its data center. This certification was confirmed by the latest audit in December 2021.

We are progressively broadening its scope to include all of CLS's operations. In 2022, a major application at our Mobilities BU will come within its scope. Our subsidiary TRE Altamira is currently working to obtain this certification.

OBJECTIVE ACHIEVED IN 2021

Maintain ISO 27001 certification for our data center access control at CLS HQ

MEDIUM-TERM OBJECTIVES

- Extend scope of ISO 27001 certification
- 100% of personnel aware of IS security

General Data Protection Regulation (GDPR)

The protection of individuals with regard to processing of personal data is a fundamental right since the European General Data Protection Regulation (GDPR) took effect on May 25, 2018. The risks for CLS of failing to protect personal data are many: financial (with fines of up to 4% of the company's yearly global revenues), marketing, brand image (customers and even employees losing faith), commercial, cybercriminal and more. That's why we strive to ensure we are fully compliant with the GDPR.

POLICY
CLS takes all necessary steps to secure the way it processes personal data and ensure that its partners apply the same strict standards. Here's how.

CONTINUING OUR COMPLIANCE EFFORT

To respond to the issues raised by the GDPR, CLS relies on legal and technical experts. A member of our Legal Department acts as our Data Protection Officer (DPO) and runs our GDPR compliance program. The program is based on mapping and keeping records of all the personal data processing CLS carries out or will carry out in connection with its business.

ACTION PLAN

CLS is working on this issue day to day, constantly putting together new solutions and projects. This involves ensuring that all of our SAAS platforms and websites are compliant. And we are building "privacy by design" and "privacy by default" principles into our data processing methods. The technical and organizational measures involved in this process are or will be spelled out in written procedures.

CONTINUOUS IMPROVEMENT

Every year we check our processing map for accuracy. In 2021, CLS focused on improving its GDPR compliance. Case-by-case analyses are conducted by our IT department working with the DPO and the customer, tightening the legal provisions of our partnership contracts where necessary.

We are also carrying out an extensive review and classification of all data we process against GDPR principles with a view to building new digital platforms.

EMPLOYEE TRAINING

We have informed our employees of the stakes involved in GDPR compliance, and they care about this issue. In 2021, with our Rise Up platform, we invested in training our employees in the principles and reflexes to adopt with regard to personal data protection.

And because a new data privacy law has come into effect in Brazil, we are providing appropriate training to the staff there, especially department directors. The subsidiary's website has been updated using procedures to resolve this issue.

ACTIONS FOR 2022

- Update our processing records
- Finalize classification of data for our digital platforms and act on technical and operational lessons learned
- Write a GDPR charter to cover all of our activities
- Put in place a specific policy for the Mobilities BU

KEY PERFORMANCE INDICATOR

Time to respond to requests related to personal data processing:
CLS responds to data subjects' requests in less than 7 days (time allowed by law: 1 month).

SHORT-TERM OBJECTIVE

Maintain response time to data subjects' requests of less than 7 days

NOTEWORTHY INDICATORS

- 43 actions initiated by DPO in connection with CLS's business (vs 35 in 2020)
- 3 incidents affecting personal data were resolved
- 1 request was formulated to access personal data in 2021
- 7 third-party software applications were analyzed by our IT department and DPO

Raising awareness in house, local and humanitarian activities

Supporting local associations - Patronage

In 2021, CLS renewed its corporate sponsorship agreements and continued to support a range of non-profit associations. Because the Canal du Midi is an endangered part of our heritage that our employees in Toulouse benefit from every day, CLS is supporting the VNF Sponsorship Mission to replant trees along the Canal du Midi.

VNF has provided us with four birdhouses and a bat house, which we installed on our site in early 2021.



Because we want to help change how people see those with disabilities, CLS is supporting the wheelchair rugby section of local club Stade Toulousain. And since protecting the environment is the thrust of our business, we are also supporting the French NGO Expédition 7e Continent in its efforts to tackle plastic pollution. The CLS team at the IUCN World Conservation Congress in Marseille in September 2021 was able to meet Patrick Deixonne, the association's founder. [\[Learn more\]](#)



We are also supporting the Planète Mer (Planet Sea) association working to restore a sustainable balance between marine life and humans. In particular, we are supporting its national Biolit citizen science program that enables walkers on the sea shore to communicate useful observations to scientists to help preserve coastal biodiversity.

A webinar is planned in collaboration with the association early in 2022.



Solidarity for Giving Tuesday

As the end-of-year festivities approached and for Giving Tuesday, the global generosity movement, CLS organized collections of:

- Old unused pairs of glasses for the "Lunettes Sans Frontières" association
- Working clothes that are no longer worn for the "La Cravate Solidaire" association.
- And books for the "Bibliothèque Sans Frontières" association to support education and culture around the world.

[\[Learn more\]](#)



To reduce plastic pollution, **Tre Altamira** gave out reusable bottles and mugs to its employees in support of Alex Bellini's **10RiversOcean** project.

Humanitarian aid

HumaNav is a real-time satellite-based geolocation and fleet management solution designed to ensure the safety and security of humanitarian organizations, NGOs and United Nations agencies.



7,000+ vehicles tracked

Since 2020, CLS has developed a new tool called Fleetsharing for humanitarian agencies.

30,000+ vehicles to be tracked under UN RFP

CLS is working for Save The Children in the Democratic Republic of Congo, Ethiopia, Uganda and Somalia.



Support for international NGO ACTED

CLS continues to support NGO ACTED coming to the aid of populations in crisis situations.

Detail of scope for each identified risk and Global Compact baseline

Non-financial challenges	Key Performance Indicator	Scope	Global Compact Principles
Optimizing labor relations Promoting diversity	Gender equality		Human rights (principles 1 & 2)
	Engagement Survey/Voice of Customer Manager	France	
	Ratio of agreements signed/negotiated		
Supporting fulfilling careers - Career development and support for our employees - Retaining our talents	Training		Work conditions (principles 3, 4, 5 & 6)
	Right to disconnect	France	
	Ratio of new hires/departures (headcount)		
Employee health and safety	Work accidents		
	Frequency and severity rates	France	
	Absenteeism		
Choosing responsible suppliers	Distribution of purchasing	France	
A naturally eco-friendly business		World	
Environmental management	Battery processing	France	Environment (principles 7, 8 & 9)
	Business travel-related CO2 emissions (air and rail)	France	
	Energy consumption	Toulouse + Brest	
Combating corruption	Anti-corruption training	World	Combating corruption (principle 10)
Information system security	Percentage of personnel aware of IS security	France	
General Data Protection Regulation (GDPR)	Time to respond to requests related to personal data processing	Europe	
Ensuring quality	Customer satisfaction	France	



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