



COMMUNICATION ON PROGRESS

STATEMENT ON EXTRA-FINANCIAL
PERFORMANCE

2018



GLOBAL COMPACT

The United Nations Global Compact is the largest international voluntary initiative for sustainable development. It encourages companies to adopt and promote a number of principles relating to human rights, working conditions, respect for the environment and the fight against corruption.

CLS is committed to making progress each year on each of the themes of the 10 Principles of the Global Compact. Adherence to this benchmark is fully in line with our CSR approach.



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.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

CLS is playing its part in tackling the 17 greatest ecological, political and economic challenges facing our world. We are proud to be able to assert that 80% of our turnover is directly linked to the achievement of the UN's sustainable development goals.



FOCUS ON SPONSORSHIP

In 2018, the CSR working group was merged with the Sponsorship Unit. 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 the trees along the Canal du Midi. As environmental protection is a key value in our activities, CLS is also supporting the French NGO *Expédition 7^e Continent* in its fight against plastic pollution. Finally, because we want to help change the way people view those with disabilities, CLS is supporting the Handisport Rugby section of Stade Toulousain.

MESSAGE FROM THE CHAIRMAN



When CLS was founded in 1986, nobody was talking about corporate social responsibility. However, even then the solutions developed by CLS were important in improving the way we handled environmental and social issues. Since 1986, our employees have been working on a daily basis for a more sustainable planet.

Convinced that companies have a role to play in achieving the greatest sustainable development goals facing our world, we decided in 2016 to join the United Nations Global Compact. CLS is committed to making progress every year on the themes covered by the 10 Principles of the Global Compact, which relate to human rights, working conditions, respect for the environment and the fight against corruption.

Since then, our CSR working group, composed of employees from all departments and all levels, has been implementing and monitoring actions that enable us to improve our extra-financial performance. In 2018, the working group focused on the consolidation and improvement of our CSR process.

Our ambition is to incorporate CSR principles into all aspects of our value chain. We consider identifying and managing our extra-financial challenges to be an essential lever for continuing to develop CLS as a competitive and sustainable company appreciated by our employees.

We openly reported our progress to all our stakeholders in 2016 and 2017 through the "Progress Reports" available on our website.

This year, we are presenting our first Statement on extra-financial performance.

CHRISTOPHE VASSAL,
Chairman of the CLS Executive Board

OUR BUSINESS MODEL

RESSOURCES

OUR VISION

CLS is a global company, deeply committed to devising and deploying satellite-based solutions to improve knowledge of and protect our planet as well as to sustainably manage its resources.

Satellites provide us with massive amounts of data. To exploit this data and enable our customers to harness the vast information available, we have decided to invest in the field of artificial intelligence, including big data infrastructures and data analytics using powerful software to help our customers streamline their activities. For CLS, this is an essential step that will enable us to stay ahead of our multifaceted competition and retain the trust of our customers.

€10 million
invested each year in research and development

1
single planet – Earth – that we must observe, monitor and preserve

130
satellites send their data to CLS every day

5
processing centres
operated by CLS in France, the United States, Italy and Spain

> 30 years
of experience. The skills and experience of our employees are the group's most valuable asset.

€127.5 million
of turnover in 2018

704
employees around the world

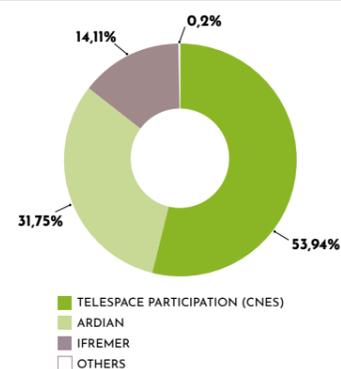
26 SITES AROUND THE WORLD



THE WORKFORCE



BREAKDOWN OF SHARE CAPITAL



VALUE CREATION

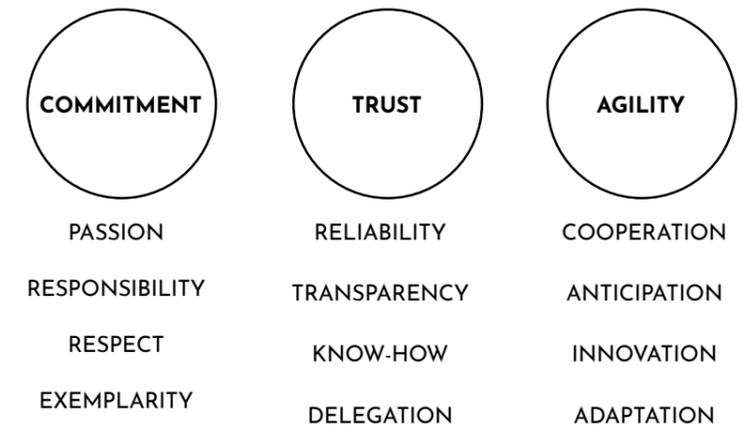
5 BUSINESS UNITS

- ENVIRONMENT & CLIMATE
- SUSTAINABLE MANAGEMENT OF FISHERIES
- MARITIME SAFETY & SECURITY
- ENERGY & MINING
- FLEET MANAGEMENT

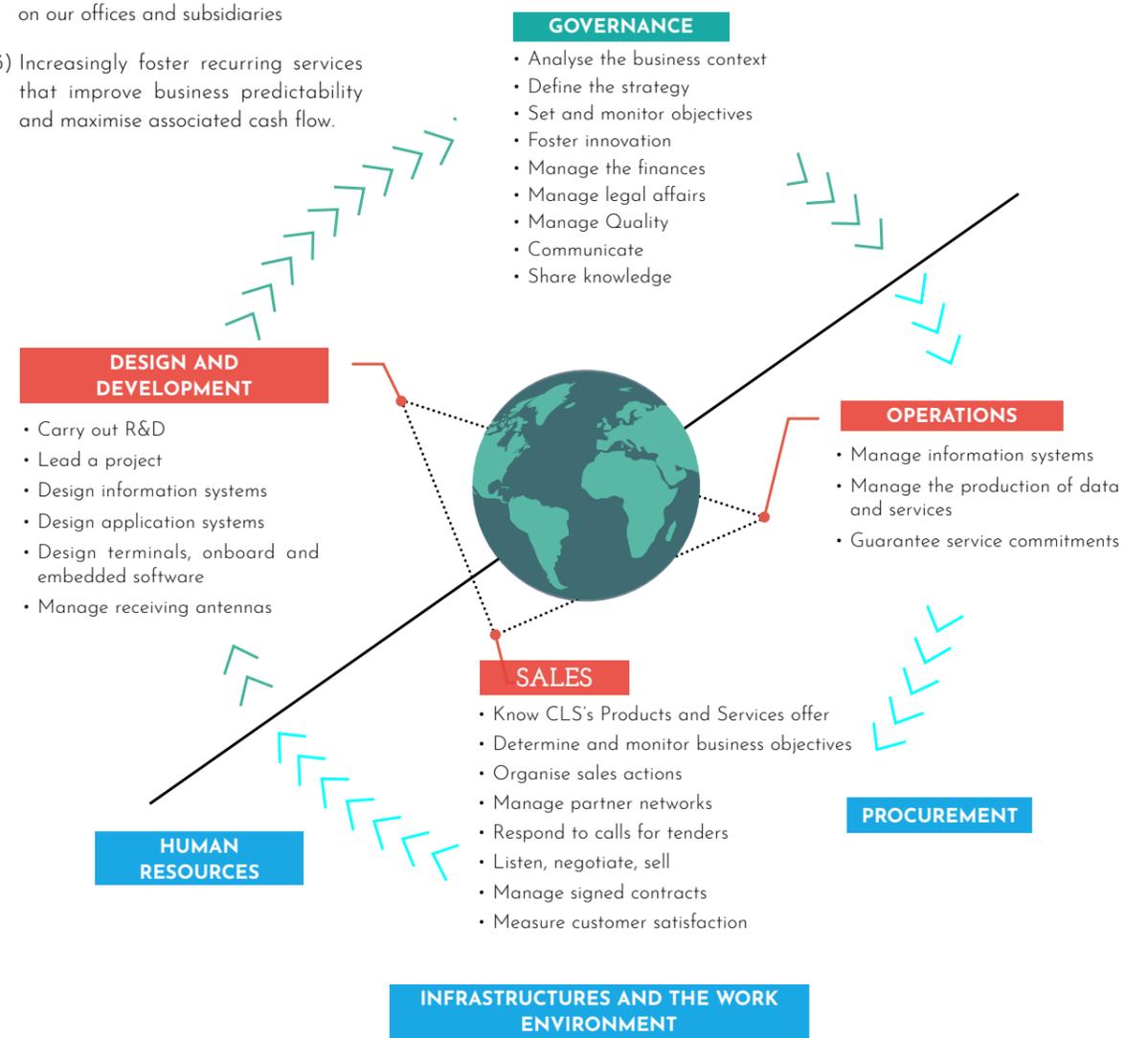
THE 3 PILLARS OF OUR DEVELOPMENT STRATEGY:

- 1) Prioritise organic growth, a sign of a strong and sustainable company
- 2) Diversify our activities in the regions where we are already present by relying on our offices and subsidiaries
- 3) Increasingly foster recurring services that improve business predictability and maximise associated cash flow.

SHARED VALUES ...



... RELATED BEHAVIOURS THAT UNITE US



80%
of our turnover is directly linked to the achievement of the Sustainable Development Goals

THEMES	CONTRIBUTIONS TO THE SDGS	
COMBATING CLIMATE CHANGE AND PRESERVING BIODIVERSITY	 13 CLIMATE ACTION	Monitoring sea level height and ice level
	 14 LIFE BELOW WATER	Monitoring marine species, promoting sustainable fisheries and combating illegal fishing
	 15 LIFE ON LAND	Monitoring migratory species and preserving terrestrial wildlife
	 6 CLEAN WATER AND SANITATION	Hydrology: identifying factors such as pollution and flooding
SUSTAINABLE DEVELOPMENT OF THE ECONOMY, CITIES AND COMMUNITIES	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Continental surveillance: crisis mapping (earthquakes, etc.)
	 11 SUSTAINABLE CITIES AND COMMUNITIES	Continental surveillance: regional and urban planning
	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Sanitation, solutions for local authorities: water, gas, electricity, health
COMBATING POVERTY	 1 NO POVERTY	Monitoring humanitarian convoys
	 2 ZERO HUNGER	Support for traditional and small-scale fishing
	 3 GOOD HEALTH AND WELL-BEING	Monitoring epidemiological data from isolated populations
	 8 DECENT WORK AND ECONOMIC GROWTH	Improving working conditions in traditional fishing fleets

10,000 humanitarian vehicles and special transport tracked	20,000 active boats monitored by CLS each month	100 companies working in the energy sector use the services developed by CLS every year
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EDITORIAL

For its first Statement on extra-financial performance, CLS formed a working group composed of four members of senior management (the Human Resources Director, the Legal & Compliance Director, the Deputy Director General for Business Development, and the Deputy Director General for Digital Technology & Operations). A total of eight of our staff directly contributed to this report.

The information presented in this Statement concerns CLS France, i.e. 49% of CLS Group's total workforce.

At CLS headquarters in Toulouse, where most of our employees work, our CSR working group has implemented numerous actions over the past few years to increase the company's social responsibility.

We intend to extend this approach progressively across all CLS subsidiaries bringing them within the scope of the Report by 2022.

CLS is currently defining indicators for the issues of "choice of suppliers", "combating corruption", "security of information systems" and "general regulations for the protection of personal data". They will appear in the 2019 NFPS.

The policies relating to the issues of "choice of suppliers" and "general regulations for the protection of personal data" have not yet been formalised in 2018.

The mandatory themes are addressed throughout the document. Only one theme not relevant to CLS's activities is excluded: combating food waste.

This NFPS presents the following issues because of their relevance: Social dialogue - Employee training - Cybersecurity - General regulations for the protection of personal data - Battery processing - Environmental management - Combating corruption - Retaining our talents - Health and safety - Quality approach - Choice of our suppliers.

CHALLENGE 1

Produce as exhaustive a list as possible of CLS's extra-financial issues.

CHALLENGE 2

Classify the issues identified, taking into account their impact on the company's business, the risks and opportunities they involve, and the expectations of our stakeholders in order to establish a materiality matrix for our extra-financial risks.

The objective: to focus our NFPS on the issues most relevant to CLS. This analysis was presented to and validated by the Executive Board.

CHALLENGE 3

For each of the challenges selected, mobilise the employees identified as the central actors in the implementation of our best practices. The following have therefore been closely involved: our Legal & Compliance Director, our Human Resources Director, our Health, Safety and Environment Manager, our Purchasing Director, our Quality Assurance Manager and our Data Protection Officer.

CHALLENGE 4

Set objectives and choose appropriate indicators to effectively manage this new approach to our risk-based CSR policy over the long term.



OPTIMISED LABOUR RELATIONS

CLS's core business involves people with a passion for technical projects with high societal value. In this context, it seems necessary for each management entity to maintain and demonstrate a willingness to remain attentive to the needs and interests of its employees. Maintaining a fruitful social dialogue is an opportunity to promote peace and social stability, and to stimulate the corporate economy.

Policy: In 2018, the Human Resources Directorate drew up a programme of measures to be taken in the form of its Labour Relations Roadmap. CLS strives to increase its employees' sense of commitment by including them in the company's governance and by using tools that promote internal dialogue. How?

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

There are regular meetings with employee representatives, monthly for elected staff representatives and the Works Council and quarterly for the Health & Safety Committee (CHSCT). A Social Roadmap was drawn up in 2018.

Its steering entity, the Executive Board, meets weekly and the Management Board once a month. The Management Board distributes its monthly report to all employees.

In this way, everyone is kept informed of the subjects addressed by senior managers. In 2019, the Social Roadmap (or timetable) will be shared with the social partners to promote dialogue and negotiation.

ACTIVE INTERNAL COMMUNICATION

CLS has set up the necessary tools: information systems, events and infrastructures to foster in-house discussions and our corporate culture.

WORKPLACE

Workplace, a corporate social network for the use of all the Group's employees, has been a success since its implementation in June 2017. While the Communication Department has made it one of its key channels for information, employees have also been invited to use it freely, and this is what we are seeing in practice. There are currently 121 discussion groups, on different topics.

Most, but not all, of the subjects are related to the Group's activities. This tool is especially valuable for a Group with branches on every continent. Information may appear in English, French and/or Spanish.

CLS TV

CLS TV broadcasts audio-visual messages to the establishments of all directorates in France. This provides a way of stimulating conversations with colleagues "around the coffee machine" about the company's current events.

BUILDING DESIGN

The new buildings include places where employees can chat in a friendly atmosphere (agora, auditorium, cafeterias, innovation space - Launchpad).

CLOSER TEAM MANAGEMENT

MIXING WORK WITH PLEASURE

Every year, CLS Management organises two Conventions. The first takes place early in the year (late January/early February) during Representatives' Week. During this week, all the representatives of CLS offices, subsidiaries and personnel are invited to a presentation of the previous year's results, sectors of activity and the vision for the coming and future years. This is followed by a fun evening during which employees can relax and enjoy being together.

A shorter second Convention is organised at the beginning of the 3rd quarter in the same spirit, but without the representatives of CLS subsidiaries and offices.

The purpose of these Conventions is to inform all employees about the company's successes, market position, results, prospects, vision for the future and finally how to make it reality.

HR MANAGERS MEETINGS

In order to strengthen team management and give managers as many as possible of the tools they need to manage their activity and support their teams, CLS has also set up HR Managers Meetings. These meetings are an opportunity to exchange news, keep everyone fully up to date, ask questions and discuss related topics (such as finance) with speakers from outside Human Resources.

HR CUSTOMER'S VOICE SURVEY

To complement this, in June 2018, the HR department deployed an HR Customer's Voice survey for managers, in order to improve Human Resources assistance in their daily work with teams. An Action Plan was then prepared, communicated, and is currently being rolled out. This will be an annual survey from now on.

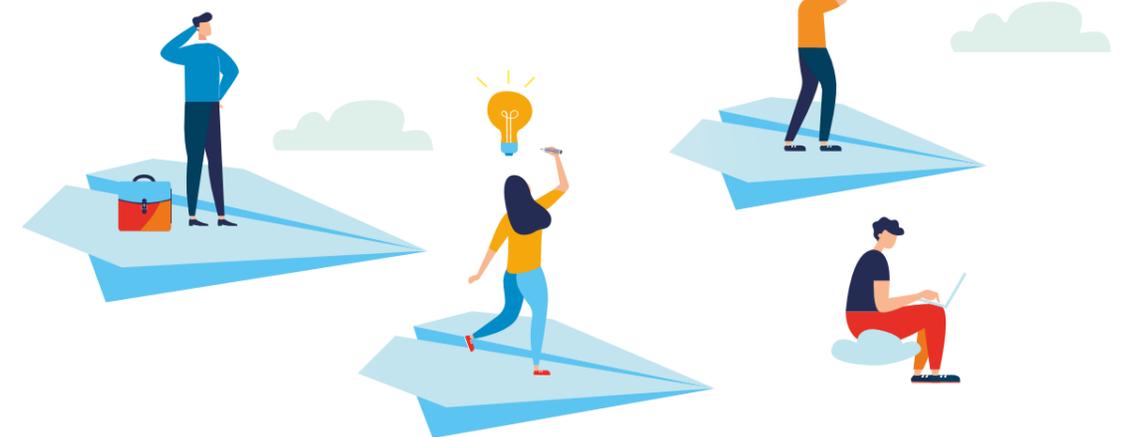
CLOSE-UP: DIVERSITY AND DISABILITY

43%
of CLS managers
are women

13
different nationalities
among CLS employees

All generations represented

Disabled employees account for 8.5 worker units. There is still considerable room for improvement by CLS. One reason for this delay is the difficulty in finding candidates with the qualifications sought by the company. CLS is working with a temping agency specialised in the recruitment of people with disabilities. In 2019, disability is a central issue in the discussions of our CSR working group.



FOR 2019
Create a Social Roadmap
with the social partners

12-MONTH OBJECTIVE
Implement a Commitment
Survey to measure the degree
of employee commitment

MEDIUM-TERM OBJECTIVE
Reach a total of 400
employees using Workplace
every week

KEY PERFORMANCE INDICATORS
Negotiating agreements: in
2018, 1 agreement signed /
2 agreements negotiated

Activity on Workplace: an
average of 300 employees use
Workplace every week.



A FULFILLING PROFESSIONAL LIFE

CLS is proud of its talents and depends on them.
The skills of our employees are the Group's most valuable asset.

A COMPLETE TRAINING PROGRAMME

Policy: Identifying employee training and development needs is a major topic of CLS's Labour Relations Roadmap.

OUR VISION

Learning more, progressing professionally and perfecting one's skills are the keys to a satisfying working life. Employees' training and development needs are identified through a procedure involving employees, their managers, BU managers and the HR department.

MONITORING STRATEGY

In order to professionalise and make Training management more efficient, CLS decided in 2018 to entrust it to an external specialised partner while retaining control of training strategy and management. CLS thus is provided with an efficient monitoring tool that allows all managers, as well as the HR department, to accurately and thoroughly monitor the plan's progress and to provide complete statistics.

THE "MANAGERS' TRAINING PROGRAMME"

2018 also saw the deployment of the «Managers' Training Programme» for all CLS managers, with specific training around 10 carefully selected themes on managerial practices. In 2019, this programme will be enhanced through new themes. A dedicated "New Managers" programme will be deployed in order to best support new managers in their new positions and responsibilities.

THE INDIVIDUAL DEVELOPMENT PLAN

At the end of 2017 and more specifically in 2018, CLS set up the "Individual Development Plan", an individualised support system for employees working in a managerial position, moving from a non-executive to a management position or in need of clearly-identified and specific training.

This Individual Development Plan is drawn up jointly by the HR department, the Manager and the employee, with the definition of specific objectives for support, training or implementation, over a fixed period ranging from 4 to 6 months. 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.

COMMITMENT FOR 2019

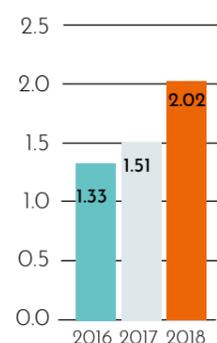
A new programme for the entire sales force: "Salespersons' Programme".

PURPOSE

The implementation of skills-based programmes in connection with the identification of "the skillsets of tomorrow".

KEY PERFORMANCE INDICATOR

% of payroll spent on employee training



RETAINING OUR TALENTS

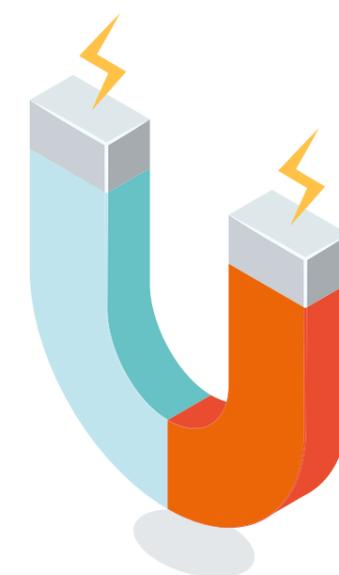
Policy: CLS's Social Roadmap sets out the programme to support our employees throughout their careers at CLS, attracting them and retaining their loyalty by providing not only a work environment conducive to well-being and creativity, but also benefits and opportunities whenever possible.

ONBOARDING

In order to help newcomers to the company, CLS has set up an "Onboarding" programme to support employees from their very first day. Employees follow the programme during their first few months in the company to enable them to acquire complementary "internal" skills, understand the processes and procedures, and also to understand where the company comes from, where it is going and how.

Each new recruit is assigned a mentor, whose mission is to guide the young recruit through his or her integration process.

The "Onboarding" programme thus gives employees the means with which to accomplish their missions in good working conditions.



COMPENSATION

Aware that the compensation and benefits policy plays a key role in the attractiveness of a company and the loyalty of its talents, CLS has for many years offered its employees an incentive bonus and a profit-sharing scheme (payment based on results and calculated in accordance with legal criteria) with a contribution from the company if the sum is invested in the Company Savings Plan.

Furthermore, for any time off work, benefits kick in from the very first day and CLS pays more than 95% of the private cover premiums to keep costs reasonable. The company also has an agreement concerning employees' time-savings accounts, enabling them to take all or part of their 13th month off in addition to their legal paid holidays and compensation for reduced working hours (RTT).

WORKING HOURS

The new working time agreement was signed in November after being approved by more than 80% of employees through a referendum.

The objective of this agreement is to better meet the needs of our customers in a highly competitive context while maintaining a

quality of work that is fair and respectful towards everyone by offering a choice between a Full Package and a Reduced Package for employees present in the company when the agreement was signed. This agreement came into effect on 1st January 2019.

COMMITMENT FOR 2019
Implementation of a module as an integral part of the HRIS to facilitate the inclusion of new employees prior to their arrival in the company.

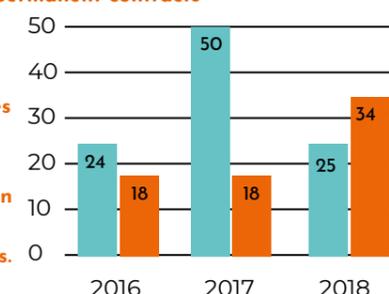
We shall be starting discussions on a new compensation policy linked to career paths and branch classification.

SHORT-TERM OBJECTIVE
Discussions on the implementation of remote-working

KEY PERFORMANCE INDICATORS

Changes in permanent contracts

2018 shows a negative result between inflows and outflows, mainly due to several departures in the last quarter of the year. As the replacement of departures or new hires has been pushed over to 2019, CLS has budgeted for more than 30 hires.





EMPLOYEE HEALTH AND SAFETY

Health is the first fundamental step in ensuring employees' well-being. This is a priority for CLS.

Policy: The HSE Policy, the Single Document, the Business Travel Policy and the Traveller's Booklet are the reference documents for the health and safety of employees in the company.

CLOSE-UP ON RISKS

The most relevant health and safety risks for CLS have been identified. They include risks related to business travel, handling electrical equipment and psychosocial risks. In 2016, CLS appointed an HSE Manager to ensure the implementation of the company's health and safety policy and work with the Health & Safety Committee (CHSCT) and Human Resources to improve working conditions. The HSE Manager also organises regular awareness-raising campaigns to reduce work-related accidents.

RULES CONCERNING BUSINESS TRIPS

The CSR working group has drawn up a Business Travel Policy that is particularly important for sales representatives travelling to high-risk countries. A geopolitical risk study is carried out and a "traveller's booklet" containing key advice is provided to any employee travelling abroad.

QUALITY OF THE WORK ENVIRONMENT

Taking care of its employees and involving them in the governance of the company is an integral part of the Group's policy, which directly contributes to the prevention of psychosocial risks. In addition, CLS works closely with occupational medicine services to detect and treat as early as possible any pathologies that employees may develop. A

programme has been set up to adapt workstations and prevent musculoskeletal risks. All structural and organisational changes are subject to validation by the employees' representative bodies, including the CHSCT. In 2018, a working group including CHSCT members was set up to update the Single Document. This innovative and voluntary approach means that employees are now included in this task. Several updating sessions were held in 2018 and will continue in 2019.

PERMANENT OBJECTIVE
0
accidents

WORK COMPLETED ON THE TOULOUSE BUILDINGS

Renovation work on the old buildings in Toulouse was completed in November 2018.

AN OPTIMISED WORK ENVIRONMENT

The premises were designed and built as a series of collaborative spaces, with a succession of modern meeting rooms equipped with the latest audio-visual systems and individual work areas. The building's large glass walls enable natural light to predominate.

AREAS TO RELAX AND ENJOY DISCUSSIONS

Each floor has its own relaxation area. The ground floor houses a catering area with an outdoor terrace. A space dedicated to innovation and creativity has also been set up to encourage CLS employees to think about and develop their future projects.

ERGONOMICS

All interior elements, such as carpets, ceilings and partitions, have been chosen for their sound and thermal properties. In terms of furniture, chair and desk heights are adjustable. Training was provided to ensure that employees put this ergonomic furniture to optimal use. Lastly, silent keyboards and

noise-reducing headsets have been made available to employees to enable them to benefit fully from this new work environment.

LOOKING AFTER SPORTS ENTHUSIASTS

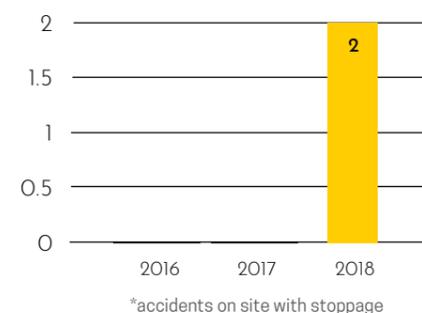
Changing rooms and showers have been installed for the comfort of our many cyclists, runners and other sports enthusiasts.

TAKING FEEDBACK SERIOUSLY

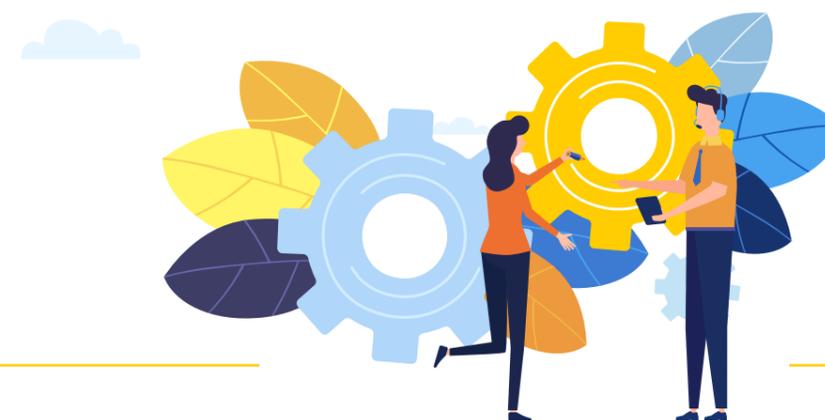
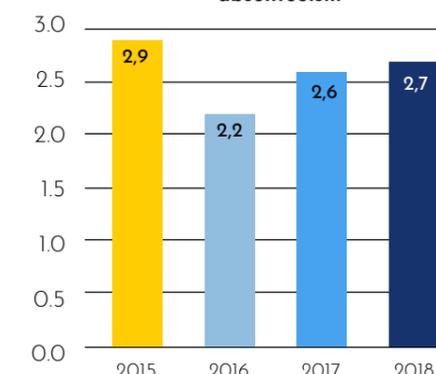
Lastly, adjustments were made during September and November to change the layout of the premises in response to staff feedback and requests.

KEY PERFORMANCE INDICATORS

Growth in number of work-related accidents



% change in absenteeism



FROM CUSTOMER NEED TO CUSTOMER SATISFACTION

As a service company, CLS depends on its ability to meet the expectations of its customers effectively. The Group considers the performance of its quality system and the care taken in selecting its suppliers as clear opportunities for success, both in the short and long terms.

OUR QUALITY ASSURANCE SYSTEM

Policy: Satisfy the demands and needs of our customers with innovative solutions and provide them with the best available data. CLS makes every effort to deliver perfectly functional solutions to its customers within the agreed deadlines. CLS adheres strictly to its policy relating to ISO 9001 and its quality management process.

INNOVATION

CLS's development strategy focuses on providing increasingly innovative solutions. We have created Innovation and Solutions teams within each Business Unit to design products that meet customers' needs as closely as possible. The Innovation Mission that reports directly to the General Management has been consolidated to further stimulate, and ensure a central role for, the imagination and inventiveness of employees.

ISO CERTIFICATIONS

ISO 9001 certification is now an undeniable competitive advantage for winning new markets. CLS was first certified in 2004. In February 2018, CLS received ISO 9001:2015 certification. This gives the Quality Department a lever with which to challenge the company's operations. The certification, which is reviewed each year during the follow-up audit, provides proof for all its stakeholders of the efficiency of the company's management system. One of the goals for 2019 is to obtain ISO 27001 certification for Information Security Management.

QUALITY CONTROL

Our Management System is based on collaborative business tools that promote an efficient and controlled production system: SHAREPOINT, JIRA, ERP, CRM, a reporting and governance portal, etc.

Stakeholder satisfaction

Shareholders, suppliers, employees ...

Risk management in defined and relevant bodies

Business Enterprise Risks, Crises, Production, Projects, Processes, etc.



SHORT-TERM OBJECTIVE

Improve the quality of our software to produce better and faster by further developing agility and continuous integration

MEDIUM-TERM OBJECTIVE

Develop agility across the entire CLS group

KEY PERFORMANCE INDICATORS

Since 2004, CLS's ISO 9001 certification has been renewed unflinchingly.



CHOOSING OUR SUPPLIERS

Policy: CLS has raised the bar concerning the selection of its suppliers to ensure the success of its projects and the quality of its products and services. How?

REVIEWING OUR PURCHASING POLICY

CLS is undergoing a real cultural change. In 2018, the company created a new Supply Chain-Purchasing Department (DSA), with a Purchasing Unit of 3 employees. CLS saw this review of the purchasing function as an opportunity to be seized. From now on, purchases are systematically placed in the hands of experts.

OBJECTIVE CRITERIA

Each CLS project has its own specific features. This is why the selection criteria are tailored to each one.

Suppliers are screened and selected on the basis of objective criteria such as their skills, product quality and financial health. The systematic use of a multi-criteria selection matrix that includes the opinions of the various stakeholders allows for the greatest possible objectivity in the selection of suppliers. To date, 100% of the choices made by the Purchasing Unit have been made using this methodology.

REVIEW CURRENT SUPPLIERS

CLS wishes to pursue its strategy of regularly and intelligently challenging its panel of suppliers. For this purpose, an internal contact person will be appointed for each supplier and will be responsible for giving an annual and reasoned opinion on his or her satisfaction with the supplier. The DSA also plans to implement more in-depth quality control of products from its suppliers, and to develop more demanding performance thresholds.

COMMITMENT FOR 2019

Implementation of "People", a communication platform on CLS's intranet via which employees will be able to download numerous tools such as their specifications templates, supplier recommendations, etc.

SHORT-TERM OBJECTIVE

In 2019, CLS plans to halve the number of referenced suppliers in order to optimise the management of active supply partners.

CLOSE-UP NATURALLY ENVIRONMENTALLY-FRIENDLY ACTIVITIES

The projects of CLS teams have a high environmental and social added value, which is a great source of pride for all our employees. However, to operate, the beacons and other equipment provided by CLS are fitted with batteries. How these devices are disposed of is a public health issue and more broadly an environmental issue.

PROJECTS THAT HELP TACKLE ENVIRONMENTAL ISSUES

Close-up on the social and environmental impact of CLS's activities

MEASURING GLOBAL WARMING

More than 90 oceanographers and 25 years of expertise in satellite altimetry enable us to observe with certainty the slightest change in our seas and oceans. As a result of this work, CLS provides the mean sea level rise curve (average increase of 3.3 mm/year). This curve, plotted jointly with CNES and LEGOS and published since 1992, is one of the best indicators of global warming.

NEW IN 2018:

Ocean monitoring indicators (OMIs) are now available free of charge with data sets over the past 25 years, including data on ocean warming, sea level rise or ice melt.

6,000

oceanographic beacons send their data to CLS every day

MONITORING BIODIVERSITY

CLS and Argos help scientists, NGOs and governments measure the health of biodiversity. The results of these observations are the basis for the protection measures that benefit a large number of threatened species.

100,000

animals tracked since the creation of Argos in 1978

COMBATING ILLEGAL FISHING

Using tools that combine satellite observations, numerical models and real-time data collection and location systems, CLS supports many governments in setting up rational fisheries management, deploying means to combat illegal fishing and implementing plans for the management of sustainable fisheries.

COPERNICUS

Copernicus is a major European Earth observation programme jointly initiated by the European Space Agency (ESA) and the European Union. CLS is participating in all six environmental and climate monitoring services.

MARITIME SURVEILLANCE

CLS's activity contributes to understanding, planning for and the rational management of all the events and actions occurring in the maritime sector with a potential impact on the safety and security of property and persons, law enforcement at sea, defence, border control, protection of the marine environment, fisheries control and the economic interests of States.

NEWS FOR 2018:

Since 19 March, SOS Méditerranée has been using a locator beacon provided by CLS to enable the NGO to be more responsive during operations at sea.



MANAGING ENERGY PRODUCTION

CLS supports offshore energy players implementing an environmentally-friendly and responsible approach by deploying and operating products and services based on satellite and in situ oceanography, radar interferometry, location and data collection. CLS offers solutions for securing both the production of oil and gas at offshore sites and mining and civil engineering infrastructures. We do this by studying the sites before any work begins on them, forecasting currents and potential ground movements. In 2019, CLS will continue to develop its new offer for offshore wind power.

SUPPORT FOR HUMANITARIAN CRISIS RESPONSE

HumaNav is a real-time satellite-based geolocation and fleet management system designed to ensure the safety and security of humanitarian organisations, NGOs and United Nations (UN) agencies.

105
countries

over 7,000
vehicles tracked

DEALING WITH BATTERIES

Policy: The monitoring of batteries used in CLS products throughout their life cycle is based on European regulations on industrial and hazardous waste (IHW), equipment tracking forms and the training of employees concerned.

THE PROBLEM

Batteries contain electrolytes and heavy metals which, at the end of their life, become hazardous toxic waste. If they are not fully and properly recovered, they are likely to constitute a serious hazard and pollute, which is why batteries must be collected under special conditions for recycling. European regulations on industrial and hazardous waste (IHW) place the responsibility for this waste until its final disposal on CLS.

100%

of the batteries arriving at CLS are processed in compliance with European regulations

TRANSPORT

Tracking forms allow batteries to be followed throughout their life cycle. The transport of products equipped with batteries is closely monitored. They can be shipped by sea, road and air, according to procedures specific to each mode of transport. In accordance with the regulations imposed by the International Air Transport Association (IATA) on the transport of hazardous materials, three CLS employees are trained in the safe packaging of lithium.

EACH TYPE OF BATTERY IS PROCESSED AS REQUIRED

CLS products contain alkaline batteries, lithium-ion batteries or lead batteries. Lithium and lead are chemically incompatible materials from a storage point of view;

they must never come into contact. These end-of-life batteries are meticulously stored in different sealed containers according to a procedure for rendering them secure. Single-cell batteries, unlike accumulator batteries, have a given charge and when they are empty do not require such stringent storage conditions. Employees who handle these objects are taught not to allow batteries to leave the safe waste treatment cycle, or to be mixed together.

CLOSE-UP: THE CIRCULAR ECONOMY

CLS has not identified any contribution to the circular economy directly related to its activity. In 2019, a workshop on the theme of the circular economy will be organised to raise awareness among our employees and generate ideas.

KEY PERFORMANCE INDICATORS

450 kg
of batteries processed
by CLS in 2018

COMMITMENT FOR 2019

On 1 January 2019, CLS acquired the French company Novacom Services. A comprehensive review is planned to ensure that waste treatment practices are fully aligned across the Group. A third storage container especially for alkaline batteries will soon be installed.

MEDIUM-TERM OBJECTIVE

Overcome the local specificities of countries that do not have adequate waste treatment systems in order to apply CLS France's battery processing practices to all our international service centres.

ENVIRONMENTAL MANAGEMENT

Our employees contribute through their work to the pursuit of an environmentally-friendly activity. It is natural for CLS to make special efforts to limit its own environmental footprint. For this reason, in 2017 the company created an environmental database linked to its energy consumption. 2018 marks the first publication of CLS's environmental management audit.

Policy: CLS uses environmental KPIs to help it develop solutions for reducing the ecological footprint of the company's operations. Environmental management is carried out by the CLS "Work Environment" unit and more particularly by its HSE manager. How?

BY TARGETING WEAK POINTS

The audit in 2017 found that 61% of CLS's carbon emissions were indirect (mainly due to travel). Direct emissions are mainly related to the consumption of electricity for powering and cooling data centres.

ENCOURAGING CYCLING TO WORK

The Toulouse buildings are located right next to the Canal du Midi. We provide lockers for recharging the batteries of electric bicycles, as well as changing rooms and showers for our cyclists.

CLS chose to participate in the winter and spring 2018 editions of the AYAV challenge (for *Allons-y à vélo* or "Let's go by bike"), in order to use a fun initiative to raise awareness among its employees concerning the use of bicycles. CLS competed in the 100-500 employees category, taking 2nd place in the winter challenge and 4th place in the spring. Also, since March, the CycloStand association has been visiting the company's car park one day a month to maintain and/or repair the staff's bicycles.

REDUCE LONG-DISTANCE JOURNEYS

Half of CLS meeting rooms are equipped for videoconferencing. All personnel have also been trained via internal webinars on

the new Office 365 tools, which enable remote work and document sharing. These modes of communication have quickly become part of CLS's culture and, together with the implementation of the new Travel Policy, are responsible for the significant reduction in business travel by air and rail.

RENEWABLE ENERGIES

The solar panels installed at CLS produced 8279 kWh of electricity between September 2017 and September 2018. Since 2017, 100% of the electricity consumed comes from renewable sources. Charging stations for electric cars were installed at the end of 2018, and more are planned for 2019.

DEMATERIALIZATION OF DOCUMENTS

Following the optimisation of waste management and printer use in 2017, 2018 was the year of digitisation. The validation of supplier invoices, previously printed for circulation between departments to be signed by several different managers, was switched to electronic processing in February. This is the final step in the dematerialisation of purchases, along with reception and payment forms.

METRICS

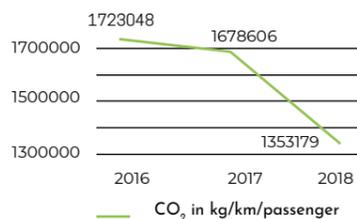
Seven key environmental performance indicators have been monitored for the years 2016, 2017 and 2018, enabling us to track the results of the actions undertaken.

SHORT-TERM OBJECTIVE

Establish indicators to assess the effectiveness of policies to encourage cycling

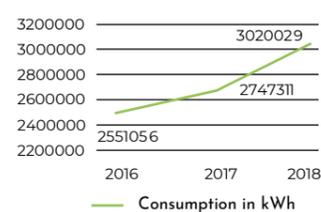
KEY PERFORMANCE INDICATORS

Business trip-related CO₂ emissions (air and rail)*



325,427 kg/km/passenger of CO₂ emissions were avoided in 2018 on air and rail travel. A very real improvement on 2017!

Energy consumption



In 2017 and 2018, there was a significant increase in energy consumption due to building renovation projects.

*For Ramonville Saint-Agne

COMBATING CORRUPTION

CLS conducts business in countries considered by agencies such as Transparency International as posing significant ethical risks. In addition, CLS customers include governments and international cooperation agencies. In this context, the development of a clearly defined and effective Compliance policy can help the company protect itself against many risks.

Policy: CLS is developing its anti-corruption compliance programme step by step, in accordance with the requirements of the "Sapin II Law" of 9 December 2016, in order to ensure sound and transparent commercial and institutional relations. How?

Compliance is the responsibility of the CLS Legal Department. The Group's Compliance Officer is responsible for deploying the anti-corruption system and has set up a Compliance Team from among the Group's employees. Implementation of the 8 measures imposed by the legislative framework is progressing step by step towards the development of a comprehensive anti-corruption compliance programme. Convinced of the relevance of these measures, our Compliance Team has set itself the objective of completely eliminating any risk of CLS being involved in corrupt practices.

CLS'S ANTI-CORRUPTION COMPLIANCE PROGRAMME

MAPPING CORRUPTION RISKS

CLS maps corruption risks, combining each identified risk scenario with a description of policies, procedures, controls and other supervisory measures, as well as recommendations for improving preventive measures.

INTERNAL ALERT SYSTEM

Pending the development of the internal alert system designed to meet both GDPR and Sapin II Law requirements, an e-mail address is available for employees wishing to report conduct or situations contrary to the CLS Anti-Corruption Compliance Programme: compliance@groupcls.com

TRAINING

The first training sessions designed to help the most exposed employees assimilate our Anti-Corruption Compliance Programme will begin in 2019. CLS also plans to set up an e-learning module for the entire Group.

CODE OF CONDUCT

The publication of CLS's code of conduct in 2017 laid out our best practices. A pocket-sized brochure has been published and 700 copies have been distributed so that all our employees can be made aware of our values.



GIFTS AND HOSPITALITY POLICY

We regulate the situations in which offering or receiving gifts and various services (meals, travel, leisure) is authorised by law. Our gifts and hospitality policy provides our employees with guidelines on how to behave.

PROCEDURE FOR THE EVALUATION AND MANAGEMENT OF THIRD PARTIES

In 2018, CLS drew up a detailed procedure for selecting commercial partners that leaves nothing to chance and alerts senior management at the slightest sign of an alarming development.

2019 OBJECTIVES

Implement the procedure for evaluating and managing third parties

Deploy a training system for all employees

The Code of Conduct is available in English, French, Spanish and Italian. CLS also intends to translate it into Portuguese.



DATA PROTECTION ENSURED

Information security is one of CLS's prime concerns. This is because its products and services depend entirely on its information system. Their added value derives from the diversity and volume of data managed by CLS.

The protection of individuals with regard to the processing of personal data is also covered, a fundamental right that has become essential since the entry into force of the European Regulation known as the GDPR on 25 May 2018.

SECURING INFORMATION SYSTEMS

Policy: CLS's cybersecurity practices are based in particular on its Information Systems Security Policy (ISSP), its IT Security Charter and its Office Automation Charter. How?

A WRITTEN AND WIDELY DISSEMINATED POLICY

The Information Systems Security Policy (ISSP) was approved by the General Management and sent to all personnel. Reading it was made mandatory and proven by completion of an online quiz.

A CLEAR OPERATIONAL ORGANISATION

The organisation responsible for information security is composed of an Information Systems Security Officer (ISSO), an Information Systems Security team of 3 technicians, Information Systems Security Correspondents (ISSC) in each CLS department, and finally external expert support for assistance and audits.

AWARENESS & PRECAUTIONS

Awareness-raising campaigns are conducted annually among staff and service providers. Newcomers are systematically informed of the IT Security Charter and the Office Automation Charter, which are attached to CLS's Internal Regulations. IT

development teams and project managers are given training in information systems security. Our subcontracts include non-disclosure commitments and the Business Continuity Plan covers cybersecurity risks. The Guidelines for Information System Security (CPSSI) details the cybersecurity approach CLS requires of its suppliers.

MONITORING SECURITY

Monitoring tools are used for continuous improvement. These include a software code inspection tool, internal audits with help from external experts, and the audits performed by customers.

COMMITMENT FOR 2019

A cybergovernance scoreboard is currently being developed

SHORT-TERM OBJECTIVE

CLS has begun the process to obtain ISO 27001 certification.

THE GENERAL DATA PROTECTION REGULATION (GDPR)

Policy: CLS takes all necessary measures to secure the way it processes personal data and to ensure that its partners apply the same strict standards. How?

DRAWING UP THE "GDPR PROJECT"

In order to achieve its objective, CLS has set up a project team combining legal and technical expertise. The project team was selected from among the members of CLS's Legal Department and is led by the Group's Data Protection Officer (DPO). It is based on constantly updated mapping and the maintenance of a register listing all the personal data processing that CLS is and will be required to carry out in the course of its activities.

ACTION PLAN

The actions undertaken so far by CLS first concerned all its websites and platforms accessible on the web. Secondly, an information campaign aimed at all CLS employees was carried out. Technical and organisational measures, in particular for the implementation of "by design" and "by default" processing development principles, are being developed and will be covered by procedures drawn up jointly with the Group's Quality Department. In addition, CLS endeavours to update the content of its contracts as and when necessary in order to allocate responsibilities between the parties involved in the various processing operations regarding personal data, in accordance with the GDPR.

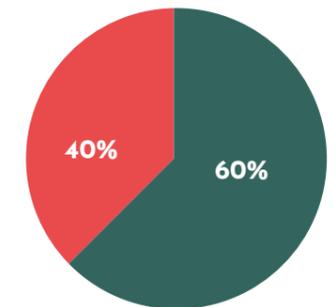
The next challenge is to set up an alert process that will meet the requirements of both the GDPR and the Sapin II Law.

OBJECTIVE FOR 2019

Meet all the requirements of the GDPR and data protection legislation.

GDPR PROJECT PROGRESS

Calculated by the CLS DPO



■ Share of the project to be implemented

■ Share already completed



Cabinet de Saint Front, in its capacity as Statutory Auditor of CLS, appointed as an independent third party, attests that the required CSR Information has been disclosed in the management report in accordance with article R. 225-105 of the French Commercial Code and certifies the fairness of the CSR Information provided, namely the results of policies, including key performance indicators, and actions relating to the main risks.

