

Communication On progress

GLOBAL COMPACT / CLS / 2017



The 10 principles of the Global Compact



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Human Rights

Businesses should support and respect the protection of internationally proclaimed human rights

Make sure that they are not complicit in human rights abuses

Labour

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

The elimination of all forms of forced and compulsory labour

The effective abolition of child labour

The elimination of discrimination in respect of employment and occupation

Environment

Businesses should suppo a precautionary approach environmental challenges

Undertake initiatives to promote greater environmental responsibilit



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Encourage the development and diffusion of environmentally friendly technologies

Anti-corruption



Businesses should work against corruption in all its forms, including extortion and bribery



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.

66 commitment



n 2016, CLS committed itself to its strategy of Corporate Social Responsibility to optimise our procedures and working methods so as to increase our level of social and environmental responsibility.

I should, however, like to emphasise that even though we have formalised this commitment and are reporting back on progress here, our commitment in terms of social and environmental awareness and responsibility has always been part of our DNA.

CLS was founded in 1986 and its mission ever since has been to protect people and the planet.

CLS strives each day to move forward and innovate for the benefit of humanity and our environment.

The Executive Board of CLS, aware of the need to go even further, decided in 2016 to commit the company to a Corporate Social Responsibility (CRS) strategy as a way of better formalising the measures which had already been taken and of clearly identifying what still needs to be done.

This step expresses our determination to cooperate fully with the most ambitious worldwide initiative to promote the responsible citizenship of companies. This

also gives CLS the opportunity to make our customers, colleagues and all other stakeholders aware of our commitments. Our firm intention is to incorporate the Global Compact and its principles into our company management strategy, corporate culture and daily activities. We would like this commitment to be adopted by all our employees. This is why a CSR working group has been set up, consisting of employees from all departments and all hierarchical levels. They are the ambassadors who convey our values: trust, commitment and flexibility. The commitment made by CLS to subscribe to the United Nation's Global Compact, in July 2016, is one of the foundations of our CSR strategy. It formalises our agreement with the 10 principles of the Global Compact concerning human rights, labour legislation, the protection of the environment and the fight against corruption. It marks and proves our determination to oblige our stakeholders to adopt these principles as well. Today we are publishing our first Communication on Progress to describe the measures taken and the efforts made for continuous improvement.

Christophe Vassal Chief executive officer 15 July 2017.

CLS: in the service of a sustainable planet, respectful of humanity

CLS, a subsidiary of CNES, AR-DIAN and IFREMER, is an international company that was the first to provide Earth observation and monitoring systems as of 1986. CLS is a global company federated around the commitment to conceive and deploy innovative solutions for understanding and protecting our planet and managing its resources sustainably. CLS has been striving to achieve this for more than 30 years.

The 650 employees, working

CLS, A GLOBAL NETWORK SERVING THE PLANET

either at the Toulouse headquarters or at one of its 25 other sites around the world, are all committed to protecting and preserving our planet and keeping it healthy through sustainable management.

The company offers services in six strategic sectors: the sustainable management of fisheries, environmental monitoring, maritime safety, fleet management, energy and mines, and spacebased and ground systems.



60

COUNTRIES HAVE ENTRUSTED CLS WITH THEIR SUSTAINABLE FISHERY-MANAGEMENT PROGRAMMES



200 000

SHIPS Have their positions determined from our data processing centres each year



8 300 Humanitarian vehicles Are managed via satellites, Using CLS group solutions



SATELLITES ARE USED TO FEED DATA TO CLS PRODUCTS AND SERVICES

100 Companies

130

WORKING IN THE ENERGY SECTOR, EACH YEAR USE SERVICES Developed by CLS



CLS: sustainable development objectives

Each day CLS addresses the sustainable development challenges facing our world, endeavouring to contribute through its activities to the success of the sustainable development objectives laid down by the United Nations.

On the 5th and 9th of June 2017, the UN organised the Ocean Conference in New York.

This event offered the international community a unique and invaluable opportunity to reverse the sudden decline in the health of the oceans and seas by applying practical solutions. The Conference also aimed to further the implementation of sustainable development objective number 14. This objective aims to preserve and exploit the oceans, seas and marine resources sustainably.

Against this background, CLS became officially involved by proposing three major commitments for protecting the oceans:

Ocean and Climate

Mean sea level, according to the international scientific community, is one of the key indicators of global warming. CLS is the world's leading expert in calculating mean sea level. In this context, CLS committed itself to improving the processing of ocean data to better evaluate the socio-economic impact of a rise in sea level in coastal zones where populations may be threatened. CLS also committed itself to improving its measurements of sea level in the Arctic regions.

Sustainable development of marine resources

CLS is already supporting governments around the world to promote sustainable management of marine resources. For the future, CLS has committed itself to monitoring an increasing number of fishing boats by satellite, to improving solutions for recording fish catches in fishing areas and also to predicting the impact of fisheries on marine resources.

Biodiversity

CLS operates the ARGOS satellite system for location and collection of environmental data. This system has enabled scientists to track more than 100,000 animals and to set up efficient conservation systems. CLS has committed itself to support the ARGOS community so that it can use the system efficiently for protecting biodiversity. CLS has also agreed to develop the next generation of Argos satellites. CLS will be proposing a system capable of tracking an increasing number of wild species by means of devices that are of ever decreasing size and ever increasing ability to better understand and preserve biodiversity.



Odysée: a way of managing the strategy and future of the company together

In 2016, CLS undertook an adventurous and major transformation project to collectively imagine the future of CLS and how to achieve it. More than 15 workgroups were set up and dozens of meetings, discussions and brainstorming sessions took place.

The results were efficient reorganisation of the company, major projects undertaken to reinvent and reinvigorate some of our satellite systems, and new working conditions to enable a fair and efficient balance. Odyssée 2018 confirmed CLS's constant determination to pursue company growth along with social, humanistic and democratic values.

In this Communication on Progress, we wish to emphasise this modern and avant-garde approach initiative.











66 Social, respectful and collaborative management. "

A responsible procurement policy

CLS set up a responsible procurement policy for indirect purchases, in other words purchases for the daily operations of the company. Through a process of paperless purchases, CLS was able to decrease the amount of paper it uses.

All the orders made to suppliers are now digital. CLS has thus increased its contribution to an industrial policy based on sustainable development. The company's procurement policy aims to reduce the impact on the environment, which requires, among others, purchasing computer hardware bearing the "Energy Star" label.

With the emphasis on continual progress, CLS is currently working to extend this responsible procurement policy to include the company's direct, or "production" purchases. This policy will lead to an assessment of the ability of the supply chain to meet environmental and social demands and to the inclusion of environmental and social criteria in the consultation documents sent to suppliers.



OBJECTIVE ZERO PAPER

CLS has a proactive CSR policy. Through computerised ordering it has reduced its consumption of paper and now issues more than 2,000 orders per year via IT networks.



Human Rights

CLS contributes to the responsible business management of the CLS group, whose principles are laid down in a Code of Conduct, its reference policy, which has to be applied by all its executives and employees. Based on the Global Compact principles, the Code of Conduct affirms the group's full support for the Universal Declaration of Human Rights and other international instruments concerning Human Rights and International Law. The CLS group is committed to implementing the UN Guiding Principles on Business and Human Rights.

CLS defends Human Rights in its business dealings and workplace, by respecting individuals and offering good working conditions. The company encourages diversity and forbids any form of discrimination with respect to gender, race, language, religion, disability, sexual orientation, nationality, political and union opinions and social or ethnic origins. CLS offers a safe working environment for its employees, respects the freedom of association and collective bargaining and forbids any forced or mandatory labour as well as child labour.

We do our utmost to promote local economic and social development. At the same time, we help promote Human Rights in our relations with external stakeholders.



HEALTH AND SAFETY

CLS is committed to continually improving the working conditions of its employees and subcontractors by striving to protect their health and ensure their safety, by insuring the compliance of its technical installations, by protecting their environment and ensuring that they have ergonomically designed work stations and hardware.



FIRST AID

Even though CLS's business is mostly in the service sector, we are very strict about our personnel being given the necessary regulatory training to ensure safety.

The Human Resources Direction systematically monitors first aid training and evacuation management.



REGULATIONS

CLS respects and complies with all Health, Safety and Environmental laws and regulations in force, particularly those defined by the Labour code.



ALL OVER The World

CLS is committed to applying the strictest health and safety policy in the various parts of the world in which the group's employees intervene.



WORKING TIME

CLS has always engaged in social dialogue for maintaining the major economic balances which guarantee the future of the company and job security. The balance between professional life and private lives is extremely important for CLS and for the well-being of its employees (leave to take care of sick children, continued payment of wages during paternity and maternity leave).



DISCONNECTING

With the digitalisation of the workplace, employees are more and more "connected", even outside of working hours. The boundary between professional and personal life has become increasingly blurred. Working hours are no longer continuous. In order to respect employees' rights to disconnect, negotiations will be undertaken with union representatives. We are currently investigating training and awareness-raising in the use of connected devices.



ZERO OCCUPATIONAL ILLNESSES DECLARED IN 2016

ZERO Work Accidents Leading to sick Leave in 2016

Working Conditions Related values and behaviour

In the context of Odyssée 2018, CLS redefined the values that all employees must respect, no matter what their status, job position or role in the company. This values charter was defined by a working group of CLS employees drawn from all departments and all hierarchical levels, further proof that everyone in the company is concerned about working conditions and that for CLS, social awareness is a priority.

These values are COMMITMENT, TRUST and FLEXIBILITY, and they are broken down into 12 related behaviour sets: enthusiasm, responsibility, respect, exemplarity, reliability, openness, competence, delegation, cooperation, anticipation, innovation and finally adaptation.



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Professional careers

ON BOARDING

With a view to accompanying employees from their very first day in the company to the last one, to give them the best possible working conditions, CLS set up a program called "On boarding". Through a series of workshops during the first months in the company, employees learn the complementary "internal" skills they need, get a grasp of the processes and procedures and also understand where the company is coming from, where it is going and how it intends to get there.

Each new employee is thus assigned a mentor whose task it is to guide the new recruit through the integration steps.

This integration process thus gives employees the wherewithal to successfully achieve their assignments under good working conditions. WELCOME >>> TO CLS



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2.53%

IS THE AVERAGE ANNUAL Wage increase over The last 10 years

WAGES

The CLS company carefully maintains an equitable wage policy. There are many employee benefits that make working conditions comfortable and allow for a satisfactory balance between professional and private lives.

SOCIAL BENEFITS

There are also many social benefits that contribute to advantageous working conditions: company-level contracts for health expenses and welfare schemes, retirement pensions (extension of the executives' guarantee to cover non-executives as well), maintaining of salary during the first six months of illness, 30 days of paid leave, 21 days under the work reduction scheme (RTT), holiday savings account (CET), seniority leave, profit-sharing agreements (CLS contributes another 25%) and company participation (CLS contributes another 15% if the employee is registered with the collective retirement savings scheme, PERCO) but also a company canteen made available to employees, 73% of whose expenses are paid by CLS.

At CLS employees also benefit from two Work Councils, that of CLS and of its parent company, CNES, which also contribute to good working conditions. These two Work Councils finance cultural and sporting activities, holidays and school fees.

The two organisations also play a significant role in the social cohesion of the company by organising corporate bonding events each year (barbecues, ski trips, festive and end-ofyear celebrations). **28 %** IS THE TOTAL WAGE INCREASE (GENERAL AND INDIVIDUAL) OVER THE LAST 10 YEARS



Professional career

TRAINING

CLS invests almost €250,000 in training for its employees each year. Its training policy complies with French regulations and aims to get the most out of the investment to accompany each employee throughout his/her professional career.

In 2016, CLS hired a careers and training manager, whose job is to run the training programme so that all CLS employees widen their sphere of competence.



147 EMPLOYEES Followed training Courses in 2016



EQUALITY

CLS has always been committed to equal treatment for its employees, all of whom are treated without distinction, whether they be men, women, disabled, young or old, from the time they are hired, throughout their careers. An extra effort has been made for older employees with the signing of a 'generation agreement'. Employees now have the possibility of working only 80% of the time while earning 90% of their previous salary, as of two years before their retirement.

TRAINING STATISTICS

之₉494 of training hours

0 0 Apprenticeship contracts

PROFESSIONALISATION CONTRACTS

£250,000 Allotted for training



PARITY CLS IS APPROACHING PARITY WITH 58% MEN AND 42% WOMEN.



£32,550

WERE SPENT IN 2016 AS A Contribution to the employment of disabled workers.

AGREEMENT

CLS NEGOTIATED AN AGREEMENT ON Gender Parity, committing the group to equal treatment.

£3,616

THIS IS THE AMOUNT PAID BY CLS TO THE FRENCH FEDERATION FOR THE BLIND AND VISUALLY IMPAIRED.

TRAINING

CLS HR TEAM HAS BEEN TRAINED To counter discrimination and Ensure fair treatment.

Corporate culture



SOCIAL DIALOGUE

Social dialogue is very important for good working conditions. Within CLS, the organisation of social dialogue and freedom of association and collective bargaining are part of the company's corporate culture and its day-to-day operations. Regular meetings are held with employee delegates (DP), on a monthly basis for the Work Council (CE) and on a quarterly basis for Hygiene, Safety and Working Conditions Committee (CHSCT).





INTERNAL COMMUNICATION

Internal communication is undoubtedly one of the key factors needed for a company to succeed. At CLS, the transmission of knowledge, know-how and common values have been an integral part of the company's culture for over than 30 years. Consequently, there are several tools, events and infrastructures that enrich the CLS culture.

Among the many key tools introduced by the company to promote a CLS culture that is conducive to the efficiency and well-being of its employees are CLS TV, CLS Mag, employee conventions, internal emails, weekly reports by the Executive Board, a company social network, chat messaging, an extranet, an intranet, business unit coffee meetings, manager coffee meetings, innovative Thursdays, the Agora, the Auditorium and cafeterias.





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Environment



pardy, an overheated ocean and increasingly intense climate phenomena, how can we measure and observe a phenomenon such as global warming? How can we adapt to deal with the consequences? Only satellites can observe this global reality and without them it would be difficult to find solutions.

CLS was founded by the French space agency (CNES) more than 30 years ago, to run the ARGOS environmental location and data collection system. Since then it has widened its range of tools and sphere of competence and currently uses 130 satellites to accompany scientists, manufacturers, associations and government authorities around the world to help them update the planet's health file.

The protection and conservation of the environment are thus an integral part of the CLS DNA. To be as effective as possible, our commitment to the Earth is not limited to support for the authorities and civil society but also to the ways in which we can help manufacturers transform their activities to become more eco-responsible.



BY ANALYSING HIGH RESOLUTION IMAGES, CLS IS ABLE TO MEASURE AN INVISIBLE Element, the wind. Using this data CLS Accompanies the industrial development of green energy.



CLS MEASURES THE MEAN SEA LEVEL, A Key indicator of global warming, and provides this information to scientists and climatologists around the worl.

INNOVATION FOR CLIMATE STUDIES

AS AN EXPERT IN DATA COLLECTION AND Maritime Safety, CLS has developed Sensors carried on drones that are Capable of Measuring the Toxicity of Fuels consumed. This is a key service For introducing pro-climate Regulations.



WASTE MANAGEMENT

CLS applies a waste collection and processing policy at all levels. Bins exclusively for the disposal of wastepaper are made available to employees, and litter such as plastic cups and cardboard boxes is collected separately and sent to a waste sorting centre, where it can be recycled and put to use once again.

Our service activity also generates a lot of unwanted electrical and electronic equipment, which is also collected and sorted before being recycled.

Targeted "VideBuro" actions are also organised to encourage our employees to get rid of the waste they have and which is accumulating in their drawers and cupboards. Once collected, all this waste is sorted too, with a view to being recycled.



/ IUNNES OF WASTE Have been recycled via the «Videburd» Operation organised by CLS

REDUCING OUR CARBON FOOTPRINT WHEN WE'RE ON THE MOVE

80% of CLS's turnover is generated internationally. Assignments and travel are therefore essential when it comes to our activities, from canvassing to sales, including the deployment and maintenance of our solutions. Despite this necessity – intrinsic to our activity – CLS tries to systematically minimise travel, in particular by using video or web conferences. Our network of retailers, present in over 60 countries, also makes it possible to limit travel in most situations.

On a more day-to-day basis, bicycle garages and showers for cyclists have been installed. The business also pays for up to 50% of public transport costs. All of these measures aim to encourage the use of public transport and green transport methods.

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Environment

ECO-BUILDING

As part of its transformation project Odysée, CLS also has a project to enlarge and modify its facilities. Three new buildings have been built with an emphasis on respecting the environment and preserving resources. The design of these buildings included the following objectives:

Controlling the water cycle

The system for distributing drinking water has water saving devices while rainwater is used for irrigating green areas. Vegetation is carefully planted to ensure that rainwater is restored to the natural environment.

Limiting greenhouse gases

The insulation of the buildings has been reinforced to limit energy consumption (lighting and heating) and their carbon footprint.

The heating and cooling system recycles internal contributions and favours renewable energy such as solar and geothermal sources. Our DataCenter is also cooled by thermal exchanges, and inversely, this is used to heat water for sanitation purposes and for heating offices.

New work has begun to transform and restore our older buildings as part of a high environmental-quality strategy. The project integrates the principles of sustainable development, comfort for employees, accessibility for disabled people and protection of health.





THE LATEST GENERATION BUILDINGS ORDERED BY CLS HAVE BEEN LABELLED SUSTAINABLE HQE

CHEMICAL PRODUCTS AND HAZARDOUS SUBSTANCES

In our business activities, we use lithium batteries for our beacons and transmitters. Spent batteries are subject to a special procedure: they are stored and confined according to the latest standards, are covered by a fire-resistant inerting agent and isolated in a secure room.



Fighting corruption

COMPLIANCE PROGRAMME

'Compliance' means all the rights and obligations that CLS and its intermediaries must comply with in order to work together to build a fair, respectful company. In 2016, CLS officially launched its compliance programme (mapping risks, code of conduct, policies and procedures, awareness raising programme, communication, etc.).

Our Code of Conduct brings together the principles, practices and policies we use to conduct business.

It formalizes good conduct and the responsible behaviour expected of all of us in our professional activities, no matter what our job title, our geographical location or whether we are affiliated to CLS, an office or one of the Group's subsidiaries. All employees are expected to become familiar with each of the standards listed in our Code and participate actively in its implementation whilst carrying out their duties.

Any employee, any individual or third party, can use the alert procedure. Employees are encouraged to seek guidance from Human Resources, Compliance Officer or their manager if they are insure about what is the right thing to do.



Regional, economic and social impact

PATRONAGE

As part of its major transformation project, Odysée 2016, CLS decided to implement a patronage policy. This patronage is a new way of supporting local initiatives as well as enhancing social cohesion. Through its patronage, CLS aims to serve the general interest.

CLS intends to engage in certain activities such as protecting biodiversity, preserving the environment but also helping disadvantaged people or those in difficulty. As a patron, CLS will not only be a local economic player creating jobs but also a social guardian responding to social and environmental needs.



CLS HAS ALLOTTED E25,000E For its first year of patronage



10 YEARS CLS HAS BEEN SUPPORTING HANDISPORT ASSOCIATIONS FOR 10 YEARS.



