

Code OF CONDUCT

OUR COMMITMENT IN TERMS OF INTEGRITY AND RESPONSIBILITY



SOMMAIRE



1ST EDITION JULY

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A message FROM THE CEO

It is because we build the world we live in that we have a duty to conduct our business and our professional lives in an irreproachable way. I would like all CLS employees and all our partners to work together to build a respectful and fair company.

This Code of Conduct, which is the cornerstone of our programme for ethical behaviour, is being implemented to ensure that the group's fundamental values are an integral part of our everyday professional activities and our relationships with our colleagues, customers, suppliers, shareholders and all stakeholders.

Thank you for following our Code, living our values and acting in a responsible and ethical way.

A handwritten signature in black ink, appearing to read 'C. Vassal', enclosed within a simple rectangular box.

Christophe Vassal,

Chairman of the Executive Board

Why WE HAVE A CODE OF CONDUCT?



WHAT IS A CODE OF CONDUCT?

The CLS Code of Conduct summarizes, in one document, the practices and policies that CLS has been implementing for many years, both on an individual basis and collectively, for proper management of its business.

This Code of Conduct lays down the rules of responsible behaviour that all CLS employees should comply with in their professional activities.

This Code cannot however cover all possible professional situations. Nor is it a collection of moral values. It is a guide which defines a framework and provides simple and practical examples to help employees make decisions when confronted with an issue covered by the Code, in the course of their business or in the working environment.

WHY IS THIS CODE OF CONDUCT IMPORTANT?

- Because CLS is confronted every day with current economic, environmental and societal issues.
- Because CLS wants to accompany its international development as efficiently as possible, in line with its values and because it must ensure that all its activities are conducted with the utmost integrity.
- Because the Code of Conduct is an essential basis for achieving our economic goals, particularly by ensuring consistency between our medium-term plan and the way we run our business.
- Finally, because it is an internal tool for federating employees around common founding values and shared ethical principles.

WHO DOES THE CODE OF CONDUCT APPLY TO?

This Code applies to all CLS employees, no matter what their profession, role in the company or geographical location. The Code also applies to all CLS subsidiaries and offices

CLS has also committed to promoting the principles of the Code in its relationships with suppliers, sub-contractors and customers, and more generally to encourage them to adopt the CLS Corporate Social Responsibility principles in their professional activities.

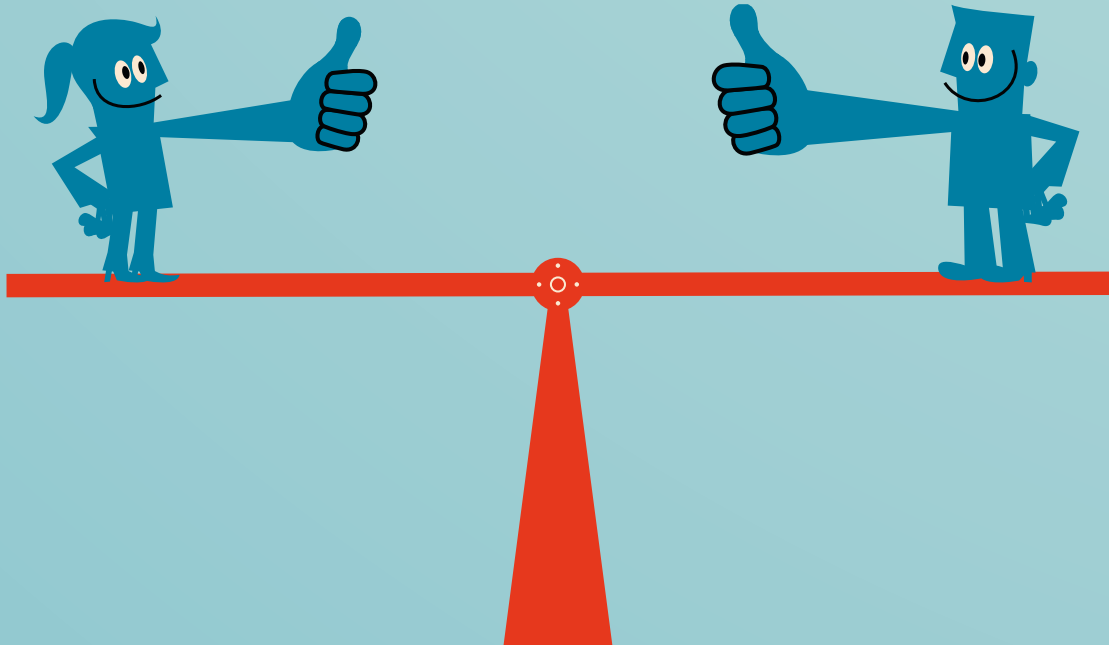
This Code of Conduct is part of the scope of several national and international texts of which CLS shares the principles:

- The Universal Declaration of Human Rights
- The conventions of the International Labour Organisation
- The OECD guidelines
- The Principles of the United Nations Global Compact
- The United States Foreign Corrupt Practices Act (FCPA) of 1977
- The UK Bribery Act of 2010
- French law n° 2016-1691 of 9 December 2016 on Transparency, Fight Against Corruption and Modernization of the Economy ("Sapin II")

Furthermore, in July 2016, CLS signed the United Nations Global Compact which is the most important corporate social responsibility and sustainable development initiative in the world. As signatories, we are committed to actively promoting through our development strategy and as part of our activities, the ten fundamental principles of the Global Compact, concerning human rights, labour standards, environmental standards and the fight against corruption.

The Code of Conduct should help us bolster these principles in our sphere of influence by taking them into account in our strategy, our corporate culture and all our activities, with full transparency.

Section 1
BUILDING
A RESPECTFUL
WORK
ENVIRONMENT



HUMAN RIGHTS IN THE WORKPLACE

Each of us is responsible for ensuring respect for human rights in the workplace. We should also make sure that our partners respect the law in the same spirit! We are all responsible for building a fair and respectful world.

CLS respects and defends the principles of the Global Compact concerning fundamental rights in the workplace:

- No discrimination in jobs and professions
- Elimination of all forced or obligatory labour
- Freedom of association and effective recognition of the right to collective bargaining
- Effective abolition of child labour

CLS COMMITMENTS

- Protect the environment and the health and safety of employees every day.
- Guarantee a safe working environment for our employees but also for all our partners.
- Encourage sustainable development within the company. This can be done by respecting the environment and equitable social relations.
- Respect the dignity of human beings and their fundamental rights and liberty by complying with the Universal Declaration of Human Rights.
- Respect the United Nations Global Compact to which we subscribed in July 2016.

CLS is determined to ensure that the company and its partners avoid using slave labour, forced or submissive labour and child labour. In particular, CLS suppliers and sub-contractors should ensure that no form of slavery or human trafficking is involved at whatever level or stage, whether in their companies or in their supply chains.

WHAT DOES THIS MEAN FOR ME?

- I respect human rights
- I respect local cultures, law and local customs when I am travelling abroad (while continuing to comply with standard procedures and the Code of Conduct)
- I take the necessary steps to respect the environment every day
- I never undertake an operation that is not safe
- I do not consume alcohol or drugs in my workplace. Moderate and prudent alcohol consumption may be exceptionally accepted at an event organized in the course of my work, if authorized by the management.



QUESTION *My supplier offers the company extremely low, unbeatable prices. I suspect that his supply chain is not complying with labour legislation.*

ANSWER *I refer the issue to my superior, who in turn will alert the Procurement department, which will clarify the situation and take any necessary steps.*

RESPECTFUL WORKPLACE

A WORKING ENVIRONMENT FREE OF DISCRIMINATION

CLS recognises the talents and know-how of the men and women who work for the company and takes care to ensure that all its employees have equal opportunities for employment and career development, by guaranteeing equal treatment based on objective criteria.

Gender equality is a fundamental condition for its equal opportunity policy. CLS prohibits any kind of discrimination.

CLS COMMITMENTS

- Ensure equal opportunity for recruitment, promotion, employment, irrespective of origins, religion, gender, any disablement whatsoever, age, sexual orientation, etc.
- Respect and appreciate each person's work
- Promote diversity
- Fight against all forms of discrimination

WHAT DOES THIS MEAN FOR ME?

- I act fairly and with respect toward others
- I challenge discriminatory behaviour
- I raise any concern I have about discriminatory behaviour
- I base any employment decisions I make purely on merit



QUESTION *You are looking for a business engineer to boost your team. You believe that the sales field is a man's world and you are wondering whether you should only consider male candidates.*

ANSWER *You are not allowed to look only for male candidates, nor may you reject applications from women solely because of their gender, since this is a clear case of gender discrimination. The hiring selection must consider the person's professional qualifications and experience as well as his/her ability to perform the job's main tasks.*

RESPECTFUL WORKPLACE

A WORKING ENVIRONMENT FREE OF HARASSMENT

A harmonious working environment requires that the rights of employees be respected, including their dignity and that there be no intimidation or harassment whatsoever. CLS is determined that in all its companies and premises, each employee shall be respected and act respectfully to others and that there shall be a benevolent ambience in the company, making it a good place to work.

CLS COMMITMENTS

- Not tolerate any form of harassment or intimidation
- Take all necessary disciplinary steps to put an end to such situations

THESE PRACTICES MAY INVOLVE, AMONG OTHERS

- aggressive comments
- unwelcome physical contact
- comments about sexual orientation
- insults or jokes about sex, religion, origins, age, etc.
- Gossip, rumours or offensive information

WHAT DOES THIS MEAN FOR ME?

- I treat everyone with dignity and respect
- I am never derogatory or abusive to or about my colleagues
- I inform my superior and the HR manager if I think that one of my colleagues is being harassed or intimidated. In minor case, first tell the person to stop and if it continues, report it right away.
- I do not display, send or download any content or information which might offend, insult, discredit or harass another person.



QUESTION Pierre loves making jokes in bad taste which shock his colleague Jacques. Jacques has several times told Pierre that his jokes were unacceptable and provocative, but the latter continues to make rude comments. Jacques knows that he is not the only person who feels uneasy about Pierre's remarks, but nobody else dares to protest, not even his manager. What should Jacques do?

ANSWER If he does not feel comfortable discussing the problem with his manager, Jacques should talk to another manager and to the HR manager or to the Compliance Officer about his colleague's behaviour. Pierre's jokes are creating a hostile and provocative environment for Jacques (and perhaps for others) and may consequently be considered to be harassment. Steps must be taken to conduct an appropriate investigation so that the problem is resolved.

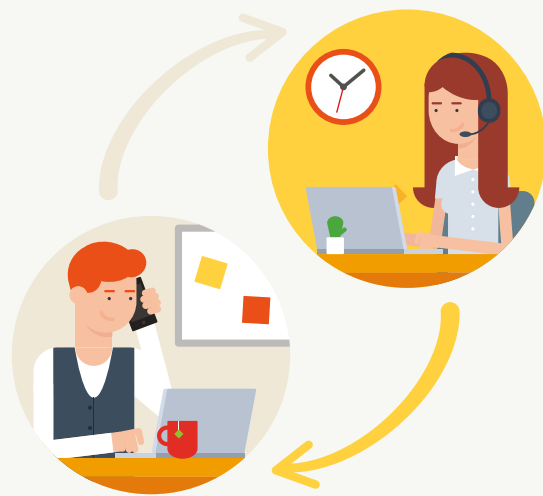
PROTECTION OF PERSONAL DATA

The collection, use and disclosure of personal information is of legitimate concern to customers, legislators and individuals. Several countries have adopted privacy and personal information protection legislation.

CLS COMMITMENTS

CLS policy is to keep information confidential and secure in accordance with applicable data protection legislation.

Personal data includes several types of personal information, particularly the name, date and place of birth, personal telephone numbers, addresses, salary and other aspects, past performance, bank account details and possibly registration numbers provided by various administrative departments.



WHAT DOES THIS MEAN FOR ME?

Personal data must be processed following these principles so that data are:

- processed fairly and lawfully and only if certain conditions are met
- obtained for specified and lawful purposes
- adequate, relevant and not excessive
- accurate and where necessary kept up-to-date
- not kept for longer than necessary
- processed in accordance with an individual's rights
- kept in a secure manner
- not transferred outside of the EEA without adequate protection

For further information, please consult CLS policies.

QUESTION *You get a request from a CLS employee or customer wanting to consult his personal information. What should you do?*

ANSWER *You should never automatically refuse the request given that several data protection laws stipulate that individuals have the right to consult their personal data. You should thus immediately transfer the request to the CLS legal department and/or the Company's Data Protection Officer.*

You must do this as soon as you get the request because CLS is legally obliged to respond within a specified time period.

PROTECTION AND PROPER USE OF ASSETS AND INFORMATION

CLS assets are very valuable and shall be used for professional purposes. Anyone working on behalf of CLS is responsible for protecting and preserving the Company's assets.

These assets include the IT systems, equipment and technology, telephones, photocopiers, buildings, supplies, intellectual property (such as software codes, concepts, know-how, inventions, various brands and logos) or any other goods belonging to the Company.

WHAT DOES THIS MEANS FOR ME I AGREE TO:

- protect CLS assets against any loss, theft, abusive use, damage and waste
- not remove or transform CLS assets, nor use CLS services without prior permission from my manager
- use IT systems and various communication facilities properly and responsibly
- maintain the confidentiality, integrity and availability of the information system
- respect intellectual property legislation, by making sure that I am fully entitled by law or authorised to use software, brands, copyright or third-party images, before using them
- take care when opening files attached to an email before clicking on a link in the email
- inform the company of any unauthorised use of its intellectual property
- not disrupt CLS security controls
- keep in mind that everyone is responsible for security, that each person is responsible for all of the company's information at his/her security level and that each person should inform the security manager whenever a security problem arises
- comply with the Computer security policy as well as the general security instructions.



QUESTION You copy the Microsoft Word installation software onto a USB drive so that you can install it on your home computer. You believe that CLS will not be liable in any way because the original file is still installed in its system. Are you allowed to do this?

ANSWER No. When CLS purchases licence it is usually part of a user licence granted by the company which produced the software. The use of the software for personal ends might be a breach of the license contract, for which CLS could be held liable for unauthorised use.

For further information, refer to the Computer security policy available on the intranet.

PROTECTION OF CONFIDENTIAL INFORMATION

All people working at CLS have access to confidential information related to our activity, such as technical information on our products and services, our strategies concerning costs and marketing, financial data, development projects, all customer, supplier, acquisition projects, etc.

Confidential information, including that relating to intellectual property, is a valuable asset which competitors might take advantage of if they knew about it, or whose public disclosure could harm the company.

WHAT DOES THIS MEAN FOR ME I AGREE TO:

- keep my user ID codes confidential as well as my passwords and authentication devices
- beware of people from outside CLS who request financial, commercial, technical or professional information by email or by telephone
- comply with the Computer security policy
- be very careful when talking about confidential information in public places (in aircraft, taxis, restaurants, etc.)
- read the good practice guide for travellers before making business trips
- keep confidential any information I am aware of whether it be confidential information belonging to CLS or to a third party
- sign a non-disclosure agreement before sharing any confidential information.



QUESTION *I sometimes make professional telephone calls when using public transport between my home and my office. Is that a problem?*

ANSWER *When in public places, for example in taxis, trains, lifts or at business fairs, you should be careful not to reveal any information concerning the company, which is not already known to the general public. If you absolutely must telephone when in a public space, make sure that no one around you can hear you.*

Section 2

BUILDING BUSINESS RELATIONSHIPS BASED ON TRUST



PREVENTING CORRUPTION

Corruption is defined as the desire to offer, give, propose or receive money or some other object of value for the purpose of influencing an action, a decision or obtaining or keeping business in return

WHAT DOES THIS MEAN FOR ME? I AGREE TO:

- perform my daily tasks frankly, loyally and honestly
- report all cases of corruption or suspicions of corruption to the Compliance Officer
- not offer any gifts, even authorised ones, to achieve a sale or win a contract

RISK SITUATIONS

- Working in countries where corruption is widespread
- Dealing directly or indirectly with representatives of public authorities
- Dealing with individuals rather than with a company or an organisation

This list is obviously not exhaustive and if you run into one or more of these situations, this does not mean that you should not establish a business relationship or conclude a transaction. If you observe one of these situations during the first stages of negotiations, consult your Compliance Officer. He/she will help you decide whether this should be investigated further and whether precautions should be taken.

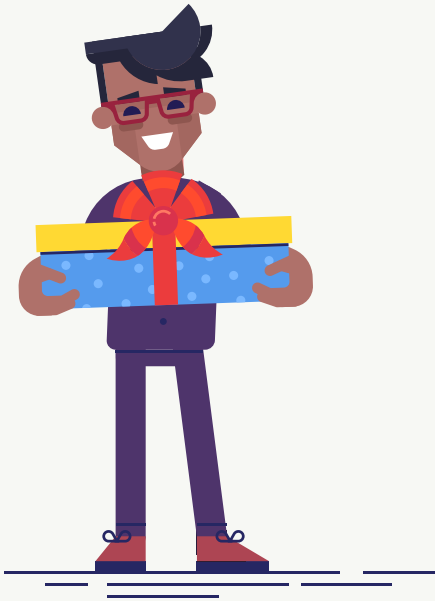
QUESTION You answer a Call for Tender for several hundred thousand euros and your contact in the customer company hints that to win the contract you will have to be “generous” with the purchaser. What should you do?

ANSWER Whatever you do, do not offer the purchaser any extra incentive at all. This is a clear case of corruption according to our procedures and the law. If in doubt do not hesitate to rise your concern to your manager or to the Compliance Officer.



GIFTS AND ENTERTAINMENT

Gifts and business invitations are defined as signs of courtesy given or received from or for the benefit of a third party or a business partner.



These may come in the form of meals, invitations to professional events, trips, entertainment (sports events, concerts, etc.). Even though local customs concerning gifts vary from one country to another, there is a clear principle: an exchange of gifts should in no way influence or appear to influence our ability to make objective and fair business decisions.

WHAT DOES THIS MEAN FOR ME?

- I respect the limits set out in the Company's policy and/or I ask for the necessary authorisation
- I don't offer any gifts or invitations to obtain an advantage to which I am not entitled
- I am open and have nothing to hide
- I understand that accepting or giving a gift or an invitation might cast doubt on my personal integrity or that of CLS
- I can neither offer nor accept gifts in cash or in cash equivalent
- I should not ask for gifts or favours of any kind whatsoever

IF IN DOUBT, ASK YOURSELF THE FOLLOWING QUESTIONS:

Is the gift of low value ?

- YES
- NO

Can the recipient reciprocate in turn?

- YES
- NO

Are offers of gifts or entertainment rare?

- YES
- NO

Is the offer of a gift or entertainment a legal, local custom?

- YES
- NO

If you answer "NO" to one of the previous questions and/or if you are not sure that a gift or entertainment is appropriate:

- Consult the procedure concerning gifts via the CLS portal.
- Tell your Manager about it.

QUESTION *An important CLS supplier invites you to attend an event for which the cost exceeds the authorised amount, in order to thank you for its long-standing relationship with CLS. Are you allowed to accept?*

ANSWER *No. Accepting this invitation would mean compromising your integrity and independence but especially that of CLS. The invitation is not acceptable.*

PREVENTING BRIBERY AND IMPROPER PAYMENTS

A bribe is defined as being an unofficial payment of a small amount to public employees in order to accelerate an action or to guarantee the performance of an ordinary administrative procedure to which the payer is legally entitled, such as administrative formalities, customs clearance, etc.

Bribes are sometimes called “oiling the machinery” or “bakhichs ». They are a form of corruption. CLS prohibits all forms of bribery.

WHAT DOES THIS MEAN FOR ME?

- I refuse to accept from or offer a bribe to any government employee
- I consult the Compliance Officer when I suspect that a request for payment is intended to facilitate a common administrative procedure. In some countries, this type of problem is widespread
- I do not try to hide a bribe
- I make sure that CLS intermediaries never make or take bribes.

RISK SITUATIONS

- Being in direct contract with public officials, government authorities, local authorities, etc.
- Encountering difficulties with a routine administrative procedure (e.g. requesting a licence)
- Dealing with a public authority who has asked for a sum of money in cash without any reason.

WARNING

Movements of goods across borders sometimes involve specific problems. In the event of difficulties concerning customs clearance of goods or significant delays in processing, immediately consult your Compliance Officer.



QUESTION *You need to get certification for a beacon as quickly as possible. The government representative with whom you are working offers to speed up the process in return for a small commission. Are you allowed to pay this amount?*

ANSWER *No. That would be a bribe. In some countries fines may be quite steep. Furthermore, there is a risk of it becoming a habit or even an obligation over time.*

N.B There is one exception to this principle, which is if your physical safety is threatened. For example, a civil war breaks out in the country in which you are working. The customs officer allows you to go to the airport on condition that you pay a transit fee. He is overstepping his authority but you may pay this fee in order to protect yourself.

CONFLICTS OF INTEREST

There is a conflict of interest whenever your personal interests interfere or appear to interfere with those of CLS. Whether at work or during your free time, nothing you do should conflict with your responsibilities to the company. Even if there is no intention to do wrong, the appearance of a conflict-of-interest may have negative effects on the work done. This is why it is crucial to consider the impact of your actions in order to avoid the appearance of conflict of interest.

CLS is committed to avoiding any conflict of interest and to ensuring that no situation will arise in which its employees would be put into this kind of situation.

WHAT DOES THIS MEAN FOR ME?

I am open in all my dealings and declare any job position or current interest which might be a conflict of interest. Not all conflicts are prohibited. Some conflicts are accepted if they have been disclosed and approved. As it is impossible to describe each potential conflict, I use my own judgement and ask for advice when necessary.

A FEW RISK SITUATIONS

- Any role as a consultant or any significant personal relationship with the customer, supplier or a competitor or cash in equivalent in a company belonging to one of the latter
- any personal interest which conflicts with the interests of CLS
- conducting activities on behalf of CLS with a person who is a relation or a friend or with a company controlled by a relation or a friend
- being able to influence or control an assessment of work or the payment of a person who is a relation or a close friend
- any use or transmission of confidential CLS information for my own or anyone else benefit

If you are in a risk situation, you must obtain a written approval from your Manager after consulting the Compliance Officer.



QUESTION *My friend is in charge of one of the companies which is responding to our Call for Tender. I am a member of the committee selecting the candidates. Is that a problem?*

ANSWER *Yes. This situation creates a conflict of interest between your desire to help your friend and your neutrality when selecting the most competitive supplier. You must inform your Manager and withdraw from the selection process so that your friend's company will nevertheless have a fair chance of winning the service contract.*

BUSINESS PARTNERS

CLS business intermediaries are third parties liaising between the Company and its customers, such as agents, local sales representatives or our consultants.

CLS has to exercise caution when choosing a business partners. This requires a thorough investigation to detect any signs of illegal behaviour or acts which go against our business ethics.

In particular, any payments made to our business partners should be appropriate and justifiable payment in return for legitimate services.

The relationship should be documented and the agent or distributor in question should sign an agreement to comply with this Code of Conduct.

CLS will put a stop to its relations with any distributor or agent if there is any proof or judgement following a payment or a request for bribes or any other action contrary to the provisions in the Code of Conduct or which is against the law.

WHAT DOES THIS MEAN FOR ME? I AGREE TO:

- inform our business partners about our Code of Conduct
- apply our Code of Conduct to our business partners, particularly concerning the anti-corruption rules
- report any inappropriate behaviour on their part
- pay for services by bank transfer from a bank account which is not in a tax-free paradise and never pay in cash
- sign an official contract with any business partner
- document relations with written agreements.

RISK SITUATIONS

- paying the business partner in cash
- working with a business partner which is a public organisation
- not having a contract between CLS and the business partner

QUESTION *CLS signs a contract with a consultant for assistance in obtaining a Licence. The consultant bills CLS for "additional costs", while explaining that this is common practice in the country for obtaining the necessary Licence. What should I do in this situation?*

ANSWER *I report this request to the Compliance Officer and to my manager. On no account may I accept to pay such an invoice without ensuring that it is in return for services provided.*



MAKING THE RIGHT DECISIONS

CLS COMMITMENTS

Through this Code of Conduct, CLS is committed to a social responsibility policy, in terms of which it:

- guarantees the confidentiality of information collected
- protects the anonymity of employees who so wish
- protects its employees in the framework of their business relations
- updates the Code of Conduct
- facilitates reporting of any breach of conduct
- takes appropriate steps on the basis of such reports
- raises the awareness of its employees concerning the principles and commitments laid down in the Code and creates the necessary means for training all employees in order to consolidate CLS corporate culture.

WHAT DOES THIS MEAN FOR ME ?

I must respect the values and principles in the Code of Conduct by:

- complying strictly with the applicable law and regulations
- being loyal and ethical with respect to CLS
- nurturing human relations in workgroups.

HOW TO REPORT A BREACH OF PRINCIPLES?

Any employee, any person or third-party, can use the alert procedure, in accordance with the law and regulations in force in the country where he is living or working or if he suspects that the Code of Conduct or its anti-corruption rules, have been violated.

RECOGNIZING AN ACTION THAT IS NOT ETHICAL

If in any doubt about a decision, we should ask the following questions:

- Is it legal?
- Would my decision stand the test of time?
- Does the action appear to be fair and honest?
- How will I feel about this?
- Would I want to read about it in the newspaper?
- How can I justify my actions to my family?
- Would customers and shareholders approve this action?

If the answer to any of these questions is “no” or “I’m not sure”, then the action envisaged may not be appropriate. We should refer to our superiors or if we prefer, talk to a member of the HR directorate or the Compliance officer.

Faced with this kind of situation, we should deal with the issue frankly.

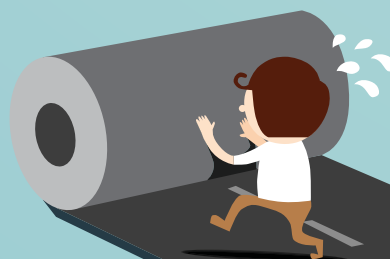
CLS employees, its customers, its suppliers, its partners or other third parties may also contact the CLS Compliance Officer by sending an email to compliance.officer@cls.fr

All requests will be dealt with promptly and discreetly. Any person reporting a potential breach of the Code is entitled to anonymity and confidentiality, which will be respected.

No employee will be penalised, fired, downgraded or suspended nor be subject to discrimination for having reported a possible breach of the Code, or for asking for information on the subject or advice on the way in which to deal with a suspected breach.

Breaches and penalties

Any person who does not comply with the rules and principles defined in the Code of Conduct, may be held liable and subject to disciplinary penalties.



**For any questions about compliance issue,
please contact: compliance@cls.fr**

<https://www.cls.fr/commitments>

