

Global Compact
Communication on Progress (C. O. P.)

October 2013 – October 2014

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Letter of commitment



We are a young company of 12 employees, official distributor of CIVA, a software dedicated to the simulation of **non-destructive testing** (NDT). Our main activities are distribution, support, training, consulting and Research and Development in the simulation of NDT. Our mission is to bring the benefits of simulation to the NDT community.

Non-Destructive Testing (NDT) is a set of methods making it possible to characterize the state of integrity of structures or materials, without damaging them, during production, in use or under maintenances. The NDT activity helps to extend the lifespan of structures.

Since our establishment, we are committed to contributing to the well-being of our customers, employees, and partners, and to develop a policy based on the principle of social responsibility. Our purpose is the preservation of structures and, consequently, of the environment in the respect of others and of the rules.

Sensitive to the themes of **Environment, Labour Law, Human Rights** and the **fight against corruption**, we have chosen to commit and act. This year, we will renew our efforts and continue our commitment.

Since October 31st, 2012, when we joined the **Global Compact**, we contribute to implementing and spreading the 10 universal principles of the pact. For the second consecutive year, we are renewing our

The 10 universal principles of the Global Compact

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

Principle 2: make sure that they are not complicit in human rights abuses.

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

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

membership. We hope that our support and this partnership will continue, and that more and more companies will join this action.

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Principle 6: the elimination of discrimination in respect of employment and occupation.

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

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

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



Human Rights

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

The **Declaration of human and citizen rights**, introducing the French Constitution of the 4th October 1958, is a fundamental text of the French republic. As a French company, EXTENDE agrees to respect and promote all its articles.

Actions:

EXTENDE and its employees conducted a workshop session of half a day to write together a **Code of Ethics**, which defines the values we are attached to and that represent our company. It has been completed and published on our website, in order to promote these values among all our collaborators. This code of Ethic is available on:

<http://www2.extende.com/en/ethics>

A regular **report of our activity** has also been sent to **our distributors** in which we mention our compliance to the Global Compact. It includes a paragraph dedicated to our commitment in terms of Corporate Social Responsibilities. Besides, we have also communicated on our commitment to the Global Compact initiative via **our newsletters**. A **presentation is also planned** at the end of the year to communicate on progress to all the team.

To protect employees as much as possible and look after their well-being, **quality equipment is available to them**: purchase of computers, micro wave, drinking water, and a fridge and lounge spot. In total, 20% of the budget has been invested in material for employees (8 000€ more or less). A **high quality health insurance** is also proposed to our staff

2. Make sure that they are not complicit in human rights abuses.

We promote regularly the **precautionary principle**, extremely common in the nuclear industry. More than half of EXTENDE's employees come from this industry, including Mr. Philippe Dubois, our CEO.

Strong action:

Redaction of a Code of Ethics

Measures:

1.100% of the employees have participated in the redaction of the Code of Ethic.

2.An indicator quantifying the budget allocated to the "welfare" of the staff has been calculated (ratio of the total of the budget / budget of the equipment) and reaches 20%. Equipment and purchases aiming at improving the comfort of the staff in the company (fridge, light therapy, material renewal (office chairs, computers, small computer equipment, etc.)) are taken into account.

The "**precautionary principle**" is a notion that advises the adoption of protective measures before any scientific evidence of an existing risk. In other words,

The independence of our company is ensured, as we are not subject to a larger entity. Our small industrial size allows us to be reactive while remaining in control of our political choices. Being “neutral and independent” is part of our values

Actions:

We are **collectively engaged**, via the adhesion to our Code of Ethics, to the following values:

- Openness
- Dynamism
- Professionalism
- Exchange
- Sustainability
- Responsibility

This implies the constant research of performance, the highest confidentiality, mutual respect and trust within all collaboration, the desire to preserve structures and rigor in our tasks, giving priority to security.

This year, we **reorganized the storage of our data** to protect as best as we can our clients' data.

We have also already visited the premises of all of our distributors. **Regular exchanges**, established with them through bi-monthly newsletters, activity reports every two months from their side and every six months from our side, allow us to observe, as far as we can, the smooth proceeding and the respect of some of their obligations (social ones among others). Sharing our experience and our desire to carry on contributes to their **awareness**, for those who would not yet be conscious.

A **suggestion box** was installed as well in our offices to ensure freedom of expression for everyone. We commit to the respect of the human being, its protection, considering the person as an essential value for the company. Finally, we decided to merge our ISO9001 and ISO14001 certifications, which allowed us to organize an **audit of our premises** this year, and to renew our certification for two more years.

The **ISO9001:2008 norm** relies on a certain number of quality management principles, particularly a strong client orientation, motivation and commitment from the direction, a process approach

an action should not be delayed simply because of the lack of complete scientific information. The precautionary principle (or precautionary approach) has been incorporated in several international agreements dealing with environmental protection, and for some, it is nowadays recognized as a general principle of the international environmental law

Measures :

1. In Total, this year, there have been more than ten reports received and one business report sent at half a year to our four distributors. We also visited two of our partners: one in Korea and one in China. We received as well two visits from their side in our premises (from India and Japan).

2. To this day, no suggestion has been noted in the suggestions box. We interpret this as a proof of free expression from our employees who do not need to use this box to express their concerns. Should this box keep being empty, we would consider removing it.

3. Following our quality audit (on the ISO9001 norm), we estimate the results as pretty satisfying. The internal audit realized on September the 10th, 2014, by our quality coordinator, concluded on the training, support, and

and continuous improvement.

The **ISO14001 norm** is the denomination of a standard dealing with environmental management. It is based on the continuous improvement of environmental performance, through the mastery of the impacts of the company's activity.

capitalization of knowledge processes with a general appreciation with: no (0) major non-conformity, no (0) minor non-conformity, two (2) sensitive points, two (2) improvement tracks, and one (1) strong point. Comments mention that the conclusion of this internal audit is positive. No deviation has been spotted. Support and capitalization processes are using new tools that will help gaining time and efficiency. Some ideas about improvements and sensitive points have been suggested.



Labour Rights

Always faithful to the French law, we respect gender equality and look after the respect of the principles promoted by the Global Compact, such as the elimination of all forms of forced and compulsory labour, the abolition of child labour, the elimination of discrimination in respect to employment and occupation, the freedom of association and the effective recognition of the right to collective bargaining.

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

Freedom of association is the right to constitute, join, and refuse to join an association. Several international texts are referring to freedom of association, such as the European convention of Human Rights, and the international Agreement related to civil and political rights.

The negotiation of a convention or a company agreement allows for the adaptation of the rules of the Code of labour to the specificities and needs of the company. Usually, union representatives negotiate with the employer. However, in small companies lacking union representatives, to ease the negotiation process, an agreement can be concluded by the staff representatives at the works council, under certain conditions; or in the case where there is no elected representative, by a mandated employee. The negotiation can be compulsory (with imposed theme and frequency), or free. In any case, company agreements are subject to certain validity conditions, and must respect specific formalities.¹

EXTENDE is still under the collective agreement of the **SYNTEC**, available on our website. We also present it to new employees in the welcome booklet.

Actions:

A certain number of actions have been set up last year in the frame of the signature of the Global Compact. No new action has been added to this area, but we have maintained the ones already engaged.

Last year, we began to encourage our employees to stand as candidate for the **election of a union representative**. This election was held

¹ <http://travail-emploi.gouv.fr/informations-pratiques,89/les-fiches-pratiques-du-droit-du,91/convention-collective,110/la-negociation-collective-dans-l,1008.html>

Strong action:

Emphasis given to individual training

Since 1981, France allows its residents to refer to the European Court of Human Rights, in order to receive compensation if they consider themselves victim of a violation of this European Convention on Human Rights.

The first article of the law from the 1st of July 1901 mentions that:

“An association is a convention by which two or more persons pool together, permanently, their knowledge or their activity for another purpose than sharing profits. It is governed as to its validity by the general principles of law applicable to contracts and obligations.”

Measures:

1. *The profit-sharing contract demonstrates the willingness of the direction to organize the management based on a participative process. The terms of this contract and the calculation of the bonus granted to each employee*

on January, the 13th, 2014. Unfortunately, no one volunteered for this task and a report of defaulting was established.

We keep on organizing of our **monthly business review**, in which we review all activities of the month, and exchange with the team about how to continuously improve our way of working. It is also the occasion to talk about our quality management process, and verify the state of the indicators.

4. The elimination of all forms of forced and compulsory labour;

In 1980, France signed the international agreement related to civil and political rights. Adopted in New York, on the 16th December 1966, by the General Assembly of the United Nations, in its resolution number 2200 A (XXI). It includes classical rights and freedoms protecting individuals against intrusion from the state, such as the right to live, the ban of torture, slavery and forced labour, the right of freedom, etc.

Actions:

The measures set up last year have been maintained.

The **coverage**, as mentioned in the Code of Labor, of **50% of the transport's price** for all our employees; **visits to the occupational health** are still running, with the possibility, for all employees to **purchase quality equipment** to contribute to their welfare (new screens have been bought this year for example); and we still belong to the same good quality health insurance to ensure the best social protection to all our employees. Finally, EXTENDE promotes **individual training** and keeps its training politic.

5. The effective abolition of child labour; and

French law ensures the protection of minors (youths under 18 years old). EXTENDE respects the French law and attests that we never hired any employee under 18.

Actions:

Our **distributors and partners are informed** about our process and our engagement, which we hope will contribute to the promotion of these values, beyond our territory borders.

will be controlled by three employees, who volunteered following one of our punctual business reviews.

Mesures :

1. Same as last year, no litigation has been notified (regarding working hours or any other topic).

2. In total, out of 12 employees, 12 are hired on permanent contracts (one more person than last year).

3. To this day, no security incident has been reported.

4. Regarding the training policy, 438 hours of training have been planned this year for 12 employees (which corresponds to a rate hour of 36,5 training hour per person) (4 out of 7 of these trainings led to a diploma).

6. The elimination of discrimination in respect of employment and occupation.

Article No. 14 of the European Convention on Human Rights prohibits discrimination. This ban is both broad and narrow at the same time because, on one hand, the article forbids all kinds of discrimination based on any criteria (gender, race, color, language, religion, belonging to a national minority, ...), and on the other hand, the scope of the ban is limited to discrimination in regards to rights covered by the convention to promote the sharing of knowledge.

The mission of EXTENDE is to bring the benefits of simulation and Non Destructive Testing methodology to the NDT community around the world, for a free and fair sharing of knowledge. In order to do so, in addition to the values we are faithful to, such as neutrality and independence in our work, we claim a desire to sharing free knowledge.

Actions:

We have made available **free educational tools** on our website. We believe that the diffusion of knowledge will contribute to the evolution of all, and to reduce inequalities.

Our employees' participation in the life of the company is highly encouraged, like the participation in the development and the empowerment of employees (**participation in business reviews, opportunity to become process leader, writing of the Code of Ethics...**).

Informative notes are displayed. They mention the legal reference articles, and inform about professional equality between men and women, the fight against moral and sexual harassment and the fight against discrimination.

EXTENDE certifies that it strives to promote **diversity** and **equality of opportunity**. The annual interviews, for example, are prepared in advance, to ensure as much objectivity as possible.

Measures :

1. Increase of the staff (from 9 to 12 people). 4 women out of 12 (33% of the total of the workforce), and 3 doctors out of 12 (25% of the workforce).

2. No discrimination complaint has been reported.

Environment

EXTENDE holds an ISO14001 certification that guarantees an Environmental Management System (EMS). We make sure, on a daily basis, to respect and preserve the environment, and the structures surrounding us. We regularly evaluate our impact on the planet and ensure to reduce as much as possible the negative impacts we could leave.

The values of EXTENDE contribute to the preservation of the environment, ensuring an activity done with the maximum professionalism possible:

- Rigor
- Technical humility
- Active listening
- Confidentiality
- Client priority

No new action has been taken this year, but the efforts realized to obtain the ISO 14001 certification have been maintained.

7. Businesses should support a precautionary approach to environmental challenges;

The **precautionary principle** is intrinsic to our business activity. The simulation of Non Destructive Testing makes it possible to anticipate controls, to reduce the number of mock-ups required for the preparation of an inspection, and to propose many scenarios to evaluate all the possibilities before making a decision.

Because the precautionary principle is at the heart of our profession, we apply it in most of our activities. Regarding the environment, we realized a **diagnosis of our environmental impacts**, with the help of the consulting company Dextral.

Actions:

Precautionary Principle

We maintained the actions initiated last year: a review of environmental indicators during our annual management review, the display of our charter of good practices and the regular inspection of our facilities (air conditioning, heating).

Three **awareness-raising actions** have been performed this year: the realization of a fire drill, the distribution of manuals about **first**

Strong action:

Obtaining the ISO14001 certification.

Measures:

1. Three awareness-raising actions have been performed this year (against only one last year).

2. We have passed the internal quality audit on the ISO14001 standard,

fire safety awareness, indicating the good practices for prevention and in the case of an incident, and the training of two employees to become first aid attendant (SST in French) (only one training had been conducted two years ago). Our first aid attendant renewed his certification with the practice of one day at the French Red Cross, and another person has been granted this title after a two days training course at the French Red Cross as well.

Emergency actions

Fire extinguishers are placed in our offices. They have been subject to a checkup, and a fire drill has been conducted. Emergency numbers (firemen, emergency and police) are always displayed in the entrance of our premises.

8. Undertake initiatives to promote greater environmental responsibility; and

We have not communicated more about the environment considering our limited impact on it.

Actions:

Water consumption

Our premises do not allow us to influence our water consumption or to measure our impact. We simply encourage our collaborators to keep a responsible attitude regarding wasting water.

Waste management

We maintain a responsible attitude toward waste management by recycling paper, plastic and our Nespresso® capsules. Batteries, ink cartridges and light bulbs are also sorted as WEEE and tracked via a waste monitoring register (RSD in French), in accordance with the French law. We always encourage our employees to minimize the production of waste. Although the waste collection done by the municipality does not apply sorting to businesses, we put our sorted wastes into bins located a bit far from the company.

Pollutants gas, chemicals and other hazardous substances

As mentioned in the previous COP, EXTENDE does not produce any pollutant gases via its business, and does not manufacture, sell, or use any chemical substance. This is the reason why no specific measure has been set up regarding that matter, apart from the

planned on June the 6th, 2014, directed by the consulting company Dextral, and covering all of our quality management system. The conclusions of the report mentions a global appreciation with no (0) major non-conformity, no (0) minor non-conformity, six (6) sensitive points, and two (2) improvement tracks. The comments state that «The environmental management system is simple, alive and adapted to EXTENDE's activity. The indicators have improved since the implementation of the approach. Continuous improvement actions have been undertaken but not always formalized.»

Mesures :

1. This year, 20.2 tons of CO2 were offset to the Good Planet Foundation, in favor of an agroecology and farmer's forestry project in Madagascar. This amount represents a total of 50% of our carbon footprint.

incentive to ventilate the rooms of our establishment.

Biodiversity

EXTENDE certifies the non-production and the non-release of GMOs.

Natural resources, energy consumption and climate change

We carry on with the **compensation** of 50% of our environmental impact deriving from our travels (carbon tax). The association to which we donate is called «Action carbone». We are also continuing our efforts in terms of electrical consumption with **temperature control** via thermometers installed in several rooms. Finally, we continue the regular **regulation monitoring** and we value providers that meet with environmental standards.

9. Encourage the development and diffusion of environmentally friendly technologies.

Actions:

Green technologies

This year, we developed an educational application on virtual media support (tablets and Android devices). It is a quiz including questions related to NDT. In addition, we keep on sending the reports to our customers in digital form. Educational tutorials are also forwarded via computer files.

Only training workbooks are printed.

We also encourage our employees to use the digital version of documents to limit the number of impressions.

Mesure :

1. We evaluated the environmental impact gained through the use of CIVA software to 1 406 852€ this year.

2. We propose trainings every year along with a support service to compensate for any misuse of the software. EXTENDE participates in the funding of validation cases as well.

Anti-corruption

The fight against corruption is an essential part of our engagement within the Global Compact. In order to avoid all forms of corruption, we have set up a quality control process.

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

Actions:

Within our structure, the risks of corruption are mainly located in our sales process, and partially in our purchasing process. The three sales representatives of the company are following the instructions from the **ISO9001** certified quality system, renewed this year. Moreover, a system of proofreading and validation of the prices proposed to the clients is set up, and used before sending any commercial proposal. It ensures that no favoritism is applied in exchange for personal benefits.

In addition, we integrated in the welcome booklet an **awareness paragraph** for all new employees.

Finally, the management pursues an **intense communication** policy, facilitating contacts between the management and the staff.

Strong action :

Obtaining the ISO9001 certification.

Measures:

1. Following our quality audit (on the ISO9001 certification), the internal audit of September the 11th, 2014, has been conducted by the consulting company Dextral, on the processes: prospection, commercial, and purchase order processing. It concludes with zero (0) deviation, no (0) major non-conformity, no (0) minor non-conformity, no (0) sensitive points, and five (5) improvement tracks. The comments state that the commercial and prospective actions are well managed. The described processes are simple and respected. The actors are willing. The «quality» indicator, related to these processes, controls among others the quality of commercial proposals, and the cooperation between staff members in the application of a discount request. It demonstrates a good quality process management.

The goals of 2014

For this year 2014, new actions have been initiated on the areas of human rights and anti-corruption. Actions related to labor rights and environment have been pursued, and EXTENDE once again validated, through internal audits, the good implementation of its processes and actions for improvement. EXTENDE can display its guarantee of quality through its ISO9001 and ISO14001 certifications, regularly controlled.

In 2015, we will continue our actions, and increase the promotion of the Global Compact, dedicating a web page to it on our future new website.

We sincerely hope to positively impact our environment, preserve our resources and contribute to building a more just and fairer world.