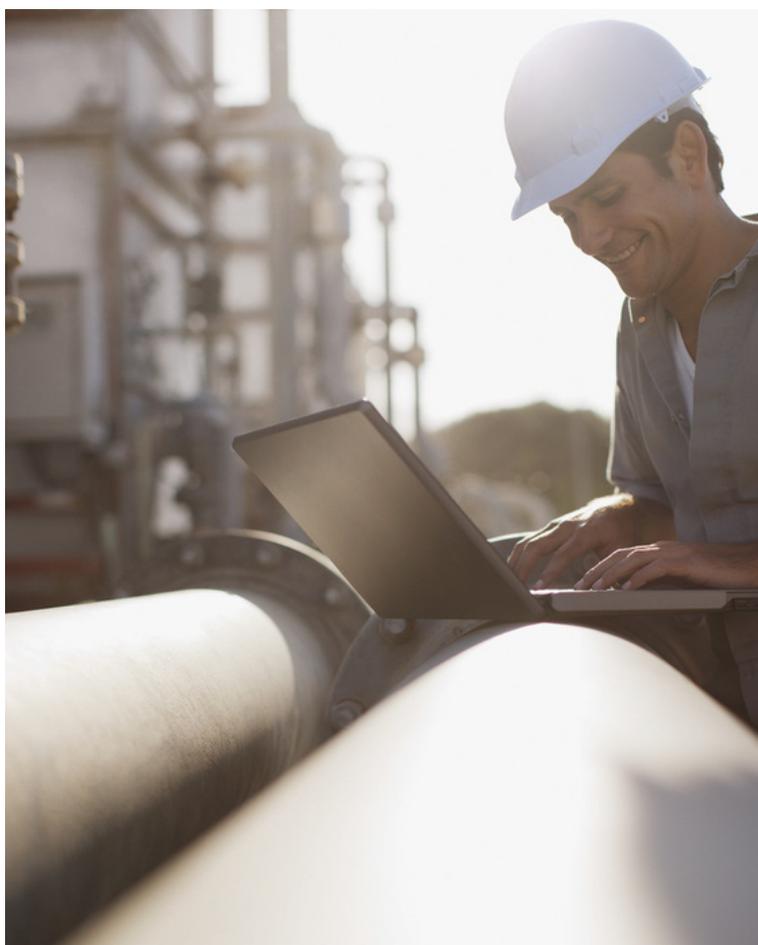


Global Compact  
Communication on Progress (C. O. P.)

October 2015 – October 2016



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## Continued support statement



« Starting a business is to create an essential element of social life. Starting a business is engaging in a unique human adventure, strong, binding, but really fulfilling. From the creation of EXTENDE, working in areas such as safety or security, the notion of RESPONSIBILITY was present. With a young team, whose job is also to preserve the environment, the signature of Global Compact was obvious to all.

Despite its small size, EXTENDE remains, year after year, committed, supportive, motivated in implementing and promoting the 10 principles of the Global Compact relating to the themes of Environment, Labour, Human Rights and Anti-corruption fight.

With customers in over 40 countries and distributors in major countries, our small size still allows a concrete radiation and the team applies and is involved daily in this promotion. I welcome and accompany this approach. »

Philippe Dubois  
CEO

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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.

## A commitment for the entire team



EXTENDE's mission is to bring the benefits of simulation and Non Destructive Testing methodologies to the global NDT community for a free and equitable sharing of knowledge.

### The 10 principles

1. Businesses should support and respect the protection of internationally proclaimed human rights ; and
2. Make sure that they are not complicit in human rights abuses labour.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining ;
4. The elimination of all forms of forced and compulsory labour ;
5. The effective abolition of child labour ; and
6. The elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges ;
8. Undertake initiatives to promote greater environmental responsibility ; and
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.



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## Human rights

1. **Businesses should support and respect the protection of internationally proclaimed human rights ; and**
2. **Make sure that they are not complicit in human rights abuses labour.**

Like the previous three years, EXTENDE , French company , is obliged to respect all the sections of the Act. We are committed to of course comply with all the articles of **the declaration of human rights and citizen** listed in the preamble of the French Constitution of October, 4th 1958.

### Actions :

Three years ago, different actions have been implemented within the framework of signing the Global Compact. No further action was taken but we maintained those already taken.

Since December 2011, we adhere to the values chosen in the drafting of our **Quality Manual**: customer priority, active listening, rigor, technical humility and confidentiality. They reflect our respectful position towards our various interlocutors (within the team but also toward our clients, collaborators and partners).

Since 2013, the **Code of Ethics** of EXTENDE drafted with employees, is still in effect, and sets the values to which we are committed and that we keep in mind every day: openness, energy, professionalism, exchange, sustainability and responsibility. The Charter is available on our website at the following address:  
<http://www.extende.com/ethics>.

Finally and as every year, an **oral presentation supported by a PowerPoint** is planned internally at the end of the year, to communicate with the team on progress made under the Global Compact.

We also communicate externally on our commitment through **our newsletters**, and **our Blog**.

The independence of our company is always assured because we do not depend of a larger entity. Our small industrial size (13 employees) allows us to be reactive but mostly masters of our political choices, neutral and independent.



*« Human rights are worth it because they are universal.»  
Jacques Chirac*

**Openness**

**Customer priority**

**Energy**

**Active listening**

**Professionalism**

**Rigor**

**Exchange**

**Technical humility**

**Sustainability**

**Confidentiality**

**Responsibility**

## Human rights

Since the **reorganization of our data storage** two years ago to protect the data of our customers to the maximum, this system is still in place.

As for the **report of our activities** we have put in place, it is now sent every year (instead of every six months) to **our distributors**. It summarizes all of our sales, changes in the number of our training and our efforts in terms of marketing. We also include our commitment to the Global Compact in a paragraph dedicated to our commitment in terms of Corporate Social Responsibility. The goal is to promote the values of this pact, and possibly encourage them to join too.

As mentioned in our previous COPs, we already visited the premises of all our distributors. We strive to maintain **regular contacts** with them by e-mail, via our bimonthly newsletters, and mutual business relationships allow us to see the good progress and, as far as possible, respect of some of their obligations, including social ones. We believe that sharing our experience contributes to their awareness and could encourage them to do the same.

A **wage initiative** was launched this year: collecting plastic bottle caps in favor of the association « Corks of hope », whose main objective is to bring people with disabilities into valid sports clubs to **promote their integration**.

Finally, the **suggestion box**, installed at the beginning of our commitment to the Global Compact, is still in place in our premises, to guarantee freedom of expression for everyone.



### Measures :



	2014	2015	2016
<b>Meetings</b>	4	5	6
<b>Visits</b>	2	1	0
<b>Reports sent</b>	1	2	1
<b>Reporting received</b>	10	16	10

## Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining ;
4. The elimination of all forms of forced and compulsory labour ;
5. The effective abolition of child labour ; and
6. The elimination of discrimination in respect of employment and occupation.

As with human rights, French legislation, which we respect, ensure the respect of labor rights. We try to set ourselves up as an example towards our partners and favoring partnerships with companies also respecting those values.

EXTENDE, as a small company, is subject to the laws established by the collective agreement **SYNTEC**, the exercise of the right is recognized and is in accordance with legal provisions mentioned in Article 3 of the Convention: «*Right union and freedom of opinion*».

### Actions :

The actions put in place three years ago when signing the Global Compact have been maintained.

Three years ago, we encouraged our employees to be a candidate in **the election of a union representative**. The election was held on January 13th 2014, but no one has volunteered for the task and a waiting PV was written. Legally, once every 4 years, the employer must organize the elections, which we plan to do in 2018.

We organize every **month collective activity reports** to review all the activities of the month and share with the team improvement suggestions on our operating system. The **Quality Management System** is evoked on this occasion to check the status of the various indicators.

Finally the **profit-sharing agreement**, that we renewed this year, demonstrates the willingness of management to use a participatory management approach. The terms of this contract and the calculation of the premium granted to each were controlled by three employees who have volunteered following a business review.



« *The only absolutely necessary law is the labor law or social law in the general sense.* »  
Jean Carbonnier

**Strong Action:**  
**individual training.**

## Labour

The management, as stipulated in the Labour Code, reimburses **50% of the price of transports** to all our employees using public transports, and this year, according to the new laws, we added a **mileage allowance** for travels made in bicycle by our employees.



**Occupational health visits** are continuing, and since last year, the unpaid days for **deficiency diseases** passed from one day to none.

Moreover, the well-being of employees is ensured by **quality equipment** available to them (hardware, office furniture, supplies...).

The same **premium health insurance** mentioned in the three previous reports has been selected to provide maximum welfare for all employees.

EXTENDE promotes **individual training** and maintains its training policy.

In addition to annual individual interviews (prepared in advance to ensure maximum objectivity), EXTENDE associates **professional interviews** (legally required every 2 years only), and a training has been done by directors of EXTENDE on management and conduct of individual interviews.

According to our contract, since last year, **holidays bonuses** were also granted to all employees.

A gradual introduction of **telework** is in place.

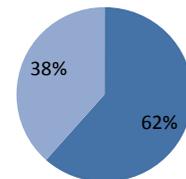
French law provides protection of minors (under 18 years). EXTENDE respects the French law and ensures to never hire, and has never hired, minor employees.

Article No. 14 of the European Convention on Human Rights, that EXTENDE respects, prohibits discrimination whatever the criterion (sex, race, color, language, religion, membership of a national minority...).

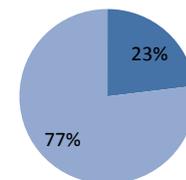
Just as for our commitment to human rights, **our partners are aware of our commitment** to the labour rights in order to help promote these values internationally.

Our website always offers **free educational tools**, because we believe that dissemination of knowledge will contribute to the evolution of all, and to reduce inequalities.

### Measures :



■ Man  
■ Woman



■ Doctors  
■ Others



**CDI**  
**100%**

**Complains: 0**  
**Litigation: 0**  
**Security incident: 0**



Finally, the participation of employees in the corporate life is strongly encouraged (leading to social cohesion), like participation in the development and empowerment of employees (**participation in activity reviews, possibility of becoming a process leader, writing the code of ethics...**). Once a year, we organize a company dinner, to maintain and enrich the bonds.

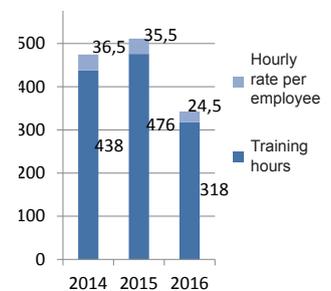
**Informative notes** are displayed, indicating the legal articles of reference and providing information on professional equality between men and women, the fight against moral and sexual harassment and the fight against discrimination.

EXTENDE certifies working to promote **diversity** and **equal opportunities**.

**Measures:**



	2015	2016
Certifying training	2	3



**Revision of the indicator « budget for welfare » to turn it into a ratio of total equipment budget / total budget.**

	2014	2015	2016
Budget allocated to the "well-being"	52%	59%	68%

## Environment

7. Businesses should support a precautionary approach to environmental challenges ;
8. Undertake initiatives to promote greater environmental responsibility ; and
9. Encourage the development and diffusion of environmentally friendly technologies.

The activity of EXTENDE is an environmentally friendly activity because it is simulation of Non Destructive Testing, so that it reduces the production of mock-ups /prototypes. Since October, 2013, EXTENDE is ISO14001 certified, which attests of our Environmental Management System (EMS). We strive every day to respect and preserve the environment and the structures that surround us, and every year we evaluate our impact on the planet. We plan to renew our ISO14001 (and ISO 9001) certifications in 2017 (to be revised every three years).

### Actions:

To obtain ISO 14001 certification, we realized in 2013, with the help of Dextral cabinet, a **diagnosis of our environmental impacts**. Considering that our impacts have not changed since then, however, we programmed and made new appointments with Dextral to go to **ISO 9001 and ISO 14001: 2015 Version**.

Since last year, our office in Grenoble also updated itself on environmental measures.

### Precautionary principle

This principle is widely used in the nuclear industry (industry from which half of the employees of our company, including the CEO of EXTENDE, Philippe Dubois, comes from). The **precautionary principle** is intrinsic to our business because the simulation of Non Destructive Testings can anticipate controls, reduce the number of mock-ups for the preparation of an inspection, and offer many scenarios to evaluate all possibilities before making a decision.

We maintained the actions initiated three years ago: **a review of environmental indicators** in the **annual management review** (with a questioning about new decisions to be taken), and **planning regular inspections** of our facilities (air conditioning, heating).

### Strong action: ISO14001 certification.

*ISO 14001:certification version 2004 specifies requirements for an environmental management system and applies to those environmental aspects that the organization identifies as those that can be controlled and influenced.*

## Environment

### Emergency Actions

Fire extinguishers were placed in our premises. As every year, these **have been audited**. **Emergency numbers** (fire, ambulance and police) are always displayed in the entrance of our premises.

### Water Consumption

Our current premises do not allow us to impact our water consumption and to measure it. We just encourage people to maintain a **responsible attitude** in respect of the waste of water through our charter of good practice.

### Waste management

We maintain a **responsible attitude** toward waste management through recycling in external dumpsters. Batteries, ink cartridges and light bulbs are separated from DEEE (French name for electrical wastes), and plotted via a Waste Tracking Registry (RSD) in accordance with the law. Last year, three people based in Grenoble also launched in the official recycling of their waste within their premises.

### Gas, chemical products and other dangerous substances

As mentioned in the three previous COPs, EXTENDE produces no polluting gas via its activity, and does not manufacture, sell or use any chemicals. No special measures have been set up, apart from the incentive for all to aerate the rooms of our establishment.

### Biodiversity

Due to its activity, EXTENDE attests to the non- production of GMOs, and the non-release of GMOs.

### Natural resources, energy consumption and climate change

We continue to **compensate** 50% of the environmental impact of our movements (carbon tax). This year, we decided to change the association to which we contribute to go to Geres, with a reforestation project in China, as it speaks more to all employees. Our office in Grenoble also committed last year by becoming **partners with PDIE Bouchayer-Viallet** (Plan of Inter-Business Travel), with the aim of uniting the various economic players to improve common transport solutions.



### Measures:



**DEXTRAL's internal  
audition took place  
on September 8th  
and 9th 2016**

**Major non conformity: 1\***  
**Minor Non conformity: 2**  
**Observations: 4**  
**Opportunities for  
improvement: 8**

*\*The Major non conformity  
mentionned was form-related:  
« There was no management  
review within the meaning of  
the ISO versions 2015 ». This  
will be corrected for the  
external audit planned at the  
end of the year (the 22nd and  
23rd of December).*

**Inspection visit  
Fire extinguishers:  
11/03/2016**

**Air conditioning:  
30/06/2016**

**Communication toward  
providers is expected by  
the end of the year.**

## Environment

We are also continuing our **good practices** with a set of recommendations put forward in our **charter**. For example, in terms of power consumption, we perform a **temperature control** via thermometers installed in several parts, allowing us to have a reasonable and responsible use of air conditioners and heaters.

To date, still **no computing machine has been discarded** since the creation of EXTENDE.

### Ecological technologies

We continue to send our clients the reports in a **dematerialized form**. Educational tutorials are also transmitted by computer. Only notebooks for training exercises are printed.

The product that we distribute is a green technology, because it **promotes the simulation of inspections** by reducing the number of mock-ups to perform before an inspection, and we promote simulation toward new generations of inspectors.

We also encourage our employees to use preferably computer versions of documents to limit the number of prints.

Finally, we pursue the regular **regulation watch** and we value suppliers complying with environmental standards. This year, and according to the law, a bicycle mileage allowance (IKV) is paid to employees who pedal between home and workplace, either by bike or electric bike.

### Measures:



**33 tons of  
CO2 offset**  
From October 2015  
to October 2016



Positive  
impact  
through CIVA

<b>2012</b>	1 514 002 €
<b>2013</b>	1 406 852 €
<b>2014</b>	1 791 564 €
<b>2015</b>	1 896 578 €

## Anti-Corruption

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

The fight against corruption remains essential in our commitment to the Global Compact. In order to prevent corruption, we have implemented a quality control system.

#### Actions:

It is essentially in our sales process that risks exist within our structure, and partially in our purchasing process.

Since December 2011, EXTENDE is certified **ISO9001: 2008 version**. Renewed two years ago, it confirms the compliance to processes in place to ensure quality in our company. The three commercial employees follow the process described for sales, prospecting and procurement.

A **proofreading system and validation** of prices before each shipment of commercial proposal guarantees the non-favoritism in exchange for personal benefits.

Furthermore, we have incorporated in the welcome booklet an **outreach section** for all new hires.

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

#### Strong action: ISO9001 certification.

*« Men are, worldwide, recognized as belonging to the human race, with all the rights and duties arising from this idea. »  
Mikhail Gorbachev*



#### Measures:



#### INTERTEK external monitoring audition:

**«The management system is correctly deployed and appropriate to the business requirements. The level of monitoring is generally of good standard and provides good performance evaluation.»**

## The 2017 targets



Our goals for 2017 are the continuation of our efforts made in the previous years (the respect of the 10 principles of the Global Compact, adopting a daily responsible and exemplary attitude).

As a testament to this commitment, we will renew our commitment to the Global Compact and next year, we aim for the renewal of our ISO 9001 and ISO 14001.



*ISO 9001: 2008 gives the organizational requirements needed for the existence of a quality management system.*