

Global Compact

Update On Progress
Covering the period from November 2013 to
November 2014

KLB
GROUP

Implement
smartly

Statement by Senior Management

Since KLB Group was created in 1995, we have sought to develop a **strong corporate culture** that is shared by our employees and visible to our clients. We view this as our primary lever for differentiation and a major reason behind our success.

KLB Group's company values are Performance, Responsibility and Pragmatism.

And because these are core to the company, we take care to preserve and develop them.

It has long been evident that the company's responsibility to society is key to us - responsibility, in its broad sense, is one of our cornerstones.

To achieve this, the whole management team - and senior management in particular - has a duty to **set an example** in their daily actions. We encourage good behaviour.

Taking **responsibility** and **putting in place processes** and tools are indications of good conduct within the company:

- Recruitment (good non-discriminatory practice)
- Performance measurement (reporting, business intelligence, individual evaluations, client quality questionnaires, problem-resolution records, and so on)
- Knowledge sharing (capitalising and sharing knowledge using written materials and internal search tools, setting up centres of expertise rolled out across the group, industry monitoring, and so on)
- Information sharing and communication (corporate communications department, activities aimed towards France or the Group as a whole)
- Innovation (commercial innovation processes, disruptive innovation), employee motivation (Tribe activities, staff bodies and so on)
- Setting rules that are, at times, informal (internal rules, logbook, code of ethics, delegating responsibilities, etc)

Our support for the United Nations Global Compact in November 2009 was the result of a growing awareness. Continuing to adhere to this agreement offers a great opportunity to take stock of our actions and to affirm our commitment.

Our clients' requirements that CSR be included in their invitations to tender confirms that our thinking is well founded.

For KLB Group, we view recruitment, retention and training of professionals who bring our values to life as a strategic issue. Respecting and implementing best practices has been a core factor throughout 2014. We will continue our efforts in these areas throughout 2015.

Flavien Kulawik

PDG KLB Group



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I. KLB Group overview

▮ Introduction

KLB Group are the experts in implementing projects for businesses and the public sector. Whether working on a development, production or transformation project, KLB Group ensures that it is properly implemented by quickly mobilising a diverse team of functional specialists (procurement, supply chain, quality, engineering, IT, finance, etc) that have a unique mix of expertise in design, development and operation. KLB Group has over 600 employees in Europe, Africa, America and Asia.

▮ Our Values

We have chosen three values, focusing on those that are core to our DNA and that form the basis of our long-term success: **Performance, Responsibility and Pragmatism.**

- Achieving **results** is our original value: by systematically looking for ways to improve performance, we also build on our capacity to engage - with each other in the team and with our clients and suppliers. This is a highly valuable asset to our company!
- **Responsibility** - responsibility that is entrusted, taken, and ultimately assumed. In general, it is during difficult times that we recognise those who are responsible, and those who assume their responsibilities.
- Lastly, **Pragmatism** - this is not a value that is typically displayed by companies currently. At KLB Group, we value practical intelligence that helps implement ideas in the most efficient manner. We prefer results and action to ideas. As great as ideas may be, to us, they are simply intentions - some more relevant than others - to act; they only have value if they are realised.

▮ Key figures

In 2014, KLB Group operated in nine countries, employing more than 600 people worldwide, and generated over €40 million in revenues.

II. Principles relating to human rights

1. Businesses are invited to support and respect, within their sphere of influence, the protection of international law relating to human rights; and
2. To ensure that their own companies are not complicit in violating human rights.

Measures implemented:

The nature of our business and sphere of activity do not involve risks to human rights.

On the contrary, the aim of our *Kulture* (the term we use for our company's culture) is to promote human dignity.

III. Principles relating to rights at work

3. Companies are invited to respect freedom of association and recognise 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 work-related and professional discrimination.

Given KLB Group's areas of work, the principles relating to rights at work of primary concern to us are principles 3 and 6 - those that relate to freedom of

association, the right to collective bargaining and elimination of discrimination in respect of employment.

We are committed to promoting and respecting diversity and equal opportunities, and fostering a rich social dialogue.

Promoting and respecting diversity and equal opportunities

KLB Group has long been convinced of the added value that comes from having cultural diversity within teams.

By signing France's Diversity Charter (*Charte de la Diversité*) on 29 September 2009, KLB Group made a commitment to fight all forms of discrimination and to promote diversity. We believe that seeking pluralism through recruitment and career management helps the company progress in terms of:

- Image and reputation - both among our current and future staff as well as among our clients and business partners
- The quality of our business relationships
- The loyalty of our employees who come from diverse backgrounds.

Measures implemented:

Awareness raising, Training and Communication

- KLB Group's head office is located in Seine Saint Denis, an area that is currently undergoing a process of economic and business revival.
- We have trained our heads of search and recruitment on non-discrimination on the grounds of appearance or cultural background. They have been provided with guidelines that cover issues regarding non-discrimination and diversity in recruitment.
- In 2014, KLB Group adhered to best practice across the group through the use of recruitment and staff monitoring tools.
- Female staff are offered a "Guide to Motherhood" which they can download from our intranet. This booklet contains practical information to support them with relevant administrative procedures. It also includes a section for male staff who might become fathers.

Building objectivity into our processes

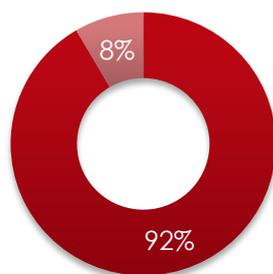
- Recruitment interview reports must be objective and relate to candidates' know-how and conduct.
- The HR department has optimised its support process for foreign employee to help them quickly obtain the essential documents they need.
- Jobs and Skills Management tools have been developed for all company staff. Recruitment software searches do not allow sorting by nationality, gender and/or age.
- KLB Group is a signatory to France's Diversity Charter. All employees who wish to do so have included the logo in their email signature.

Key numbers:

- Since 2009, KLB Group has supported "Employment of Disabled Workers Week" and organises a range of activities to raise staff awareness on this issue. This year, KLB Group tackled prejudice by sending out a quiz to all staff in mid-November, running a 2-day 'sensory journey' at our Neuilly-Plaisance office, and showing a film to great success. Prizes related to the issue of disability were awarded to the winners. These initiatives were posted, along with the official event banner, on our website www.klbgroup.com and across social networks (LinkedIn, Viadeo, Twitter).

Employee nationalities (November 2014)

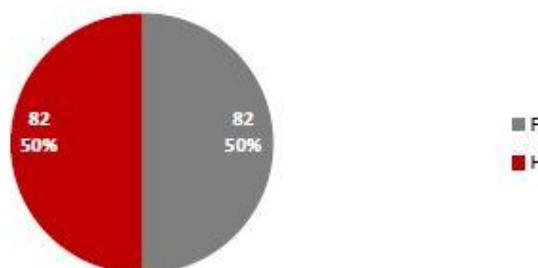
■ French ■ From abroad



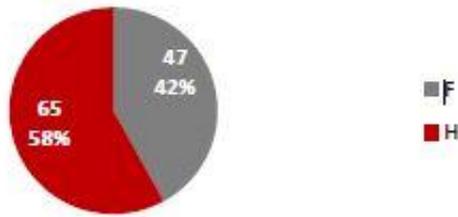
At KLB Group in France, from a workforce of 332 employees including trainees, employees in short-term contracts and employees on indefinite contracts, 28 are of foreign nationality. Of these, 8% are from European countries and 92% from other countries around the world.

Out of a total of 164 people recruited under short-term and indefinite contracts, 82 were men and 82 were women. There is a perfect balance in terms of hiring which demonstrates some respect for parity.

Répartition en pourcentage Recrutement H/F



Répartition H/F CDI Cadres



In France, three women are currently members of the Management Committee for France. Over the period, of 112 managers hired on permanent contracts, 47 were women. Of 44 non-managers recruited, 32 are women.

Areas of progress:

- Producing a Diversity Report every year and presenting it to staff representatives.
- Promoting equality at work between men and women.
- Increasing our effort in terms of recruiting disabled workers into the company and subcontracting out to the protected sector.
- Identifying specific activities that demonstrate our investment (disabled workers recruitment forum, etc).

▮ Fostering rich labour relations

The senior management team meets monthly, and members of the Company and Employee Representatives Council hold extraordinary meetings. The company's Health, Safety and Working

Conditions Council meet quarterly. The quality of labour relations is an essential lever for better integrating CSR across all levels of the company.

Areas of progress:

- Enhancing dialogue with all staff representative bodies.
- Increasing our efforts in terms of implementing recommendations of the Health, Safety and Working Conditions Council.

IV. Principles relating to the environment

- 7. Businesses are invited to apply a precautionary approach to environmental challenges
- 8. To undertake initiatives to promote greater environmental responsibility; and
- 9. To encourage the development and diffusion of environmentally friendly technologies.

Although KLB Group provides exclusively intellectual services that have no major intrinsic impact on the environment, we nevertheless take care to reduce our environmental footprint.

In 2010, we produced a Commitment Charter so that our suppliers and business partners could support us in achieving our sustainable development goals.

Our contracts contain a clause referring to this Commitment Charter. The Charter is distributed to key suppliers and business partners. We are continuing with our efforts to implement this.

We have written a guide to environmentally responsible behaviour, which is for all employees, and particularly those at our head office. This guide is part of our comprehensive approach to mobilise everyone in order to reduce environmental impacts and help preserve the environment.

The Charter is aligned with a shared, ongoing improvement plan that consists of:

- Informing each other of sustainable development initiatives and actions.
 - Identifying critical points within respective sharing of information regarding commitments undertaken.
 - Defining specific actions on progress and improvement.
 - Ensuring that these actions are tracked.
-
- The 'green procurement' theme was the subject of an internal conference in 2009. The material presented on that occasion has been built on and is accessible to all through our shared knowledge tool.

▮ Saving natural resources

Measures implemented:

- Using eco-labelled cleaning products.
 - Purchasing a colour printer that requires a code (meaning a reduction in colour printing).
 - Going paperless.
 - Duplex printing in black and white (default setting).
 - Prioritising digital communications.
-
- Putting sorting bins for plastic cups in staff rooms.
 - Installing women's sanitary disposal units.
 - Introducing a restaurant card in October 2014, by which accounts are credited each month instead of using paper tickets for meals. The provider selected for rolling out this card

promotes the use of self-recyclable materials.

- We publicly announced our support for simplification measures announced by the French government (reported on France 2's TV news on 31 October 2014). This entails an efficient process of going paperless.

- From 2015, we will adhere to France's electronic reporting system for employers (*Déclaration Sociale Nominative*).

▮ Reducing energy consumption

Measures implemented:

- In November 2009, we installed a Heating-Ventilation-Air-conditioning Unit (heat pump system) to replace convection heaters.
- We use virtual servers: software-based platforms that are capable of performing the functions of a physical server: storage, control and distribution of applications over a physical network.
- Our IT environment consists primarily of laptops (95%), which use considerably less energy than desktop PCs.
- We have removed individual printers and replaced them with multifunction devices.
- We operate a general automatic switching off of lighting and air conditioning/heating every night and at weekends, and put multifunction printers into inactive standby.
- Fitting of low-energy light bulbs wherever possible.

Key figures:

2009: 41 386 KWH, or 52.9 KWH au m²
2010: 37 779 KWH, or 41.5 KWH au m²
2011: 38 641 KWH, or 42.5 KWH au m²
2012: 31 284 KWH, or 34.4 KWH au m²
2013: 24 963 KWH, or 27.4 KWH au m²
2014: 34 904 KWH, or 38.4 KWH au m²

In spite of these efforts, we regret that the electrical installation at the head offices that KLB Group leases does not allow employees to turn off office and meeting room lights when they are unoccupied.

The necessary work would require a substantial financial investment and entail major disruption to work; we are not therefore considering this in the short term.

▮ Optimising travel

Measures implemented:

- We limit travel when we can. We prefer teleconferencing (France, England, Brazil, China, Spain, Mauritius...) and in particular videoconferencing for which each of our companies is equipped.
- We use LiveSizeCloud at our offices in Paris, Province and abroad.
- Our Trips and Travel Policy encourages the use of trains rather than flying.
- We select and rent cleaner vehicles and ensure they are maintained regularly. 90% of our fleet incorporate environmental bonuses. In 2014, our car fleet consisted of 63% of vehicles that emit less than 120g of CO₂
- **In 2014**, our updated car policy is based on environmental footprint
- We monitor employee fuel consumption and educate them an environmentally responsible driving

▮ Sorting and recycling waste

Measures implemented:

- Neuilly-Plaisance is one of the first towns in Seine Saint Denis to have installed recycling points for all. Recycling is handled by our cleaning company at the final stage - that is, in the building's waste-bin room.
- Coffee cups have been provided by the Works Council in order to limit the consumption of plastic cups.
- To facilitate recycling of plastic cups that are still being used by employees, we have installed collection bins next to the coffee machines.
- A recycling project for Nespresso capsules is being developed for implementation in 2015.
- We follow the recycling return procedure offered by the manufacturer of our black and colour ink cartridges.
- We outsource the collection and disposal of bulky items, PCs, monitors, and other end-of- life computer equipment.

Areas of progress:

- Continuing to inform and provide training on environmentally-responsible behaviour.
- Improving the management and recovery of waste.
- Expanding the share of sustainable purchases where financially viable, by incorporating Sustainable Development criteria when selecting products and services (eg purchasing high-capacity, recycled and reconditioned toners; and general purchasing of recycled envelopes)
- Educating employees through posters, internal communications, themed presentations, and encouraging their involvement (eg suggestion box, competitions, etc)
- Encouraging users of PCs and phones to be more careful with the equipment, and choosing more robust IT equipment
- Implementing these measures across all group subsidiaries.

V. Principles relating to anti-corruption

10. Businesses are invited to work against corruption in all its forms, including extortion and bribery.

Ethics is one of KLB Group's fundamental values. We have built our reputation over the years on the quality of our services and the trust our clients place in us.

As part of their work, our employees convey KLB Group's image. We therefore attach the utmost importance to the professional and moral qualities of staff engaged in building relationships with clients, suppliers and subcontractors.

We are aware that a failure in management on this matter would significantly harm our reputation and have a very adverse impact on our business.

Our most senior consultants have worked on these issues, delivering training and producing materials that can be used as teaching guides:

- "The position of the consultant"
- "Working towards balanced and responsible buyer/supplier relationships"

In addition, **in November 2014**, KLB Group invited Administrative and Financial Directors along with Directors of Shared Finance Services Centres to a breakfast around the topic of: "Impersonating the Chairman", led by a deputy police commissioner of the Central Office for Combatting Serious Financial Crime.

VI. Other key Corporate Social Responsibility activities

▮ Support for skills-based associations and sponsorship

Our involvement in skills-based associations and sponsorship gives KLB Group an opportunity to meet our corporate social responsibility via actions that are put into practice. Our aim is to bring our citizen

commitment to life and bring meaning to our values.

We also see this as an original way of responding to the quest for meaning, the search for balance between social and professional life, expressed by our staff.

Measures implemented:

- As part of our *éKiLiBre* programme, we encourage our employees to volunteer on causes that are close to their heart. This covers a variety of areas such as malnutrition, health, environment, education, entrepreneurship and culture.
- Our IT department had the opportunity to donate computer equipment and phones in good working order to associations and students.
- In 2014, two KLB Group employees sponsored young high-potential students from modest backgrounds through the association *Frateli*. Another member of staff sponsored a student going through a vocational training certificate, from 93 through the intermediary *Pass'Sport* for employment in *Pierrefitte-Sur-Seine*.
- We are currently organising food collections over a number of weeks to support the *Restos du Cœur* association in *Neuilly-Plaisance*. This activity was shared on the internet and social networks in order to form an association with our peers.

▮ Raising employee awareness of Sustainable Development

KLB Group regularly broadcasts news about these partner associations

- through social networks and our internal newsletter.

Areas of progress:

- Continued development and promotion of skills-based sponsorship
- Strengthening our existing partnerships
- Implementing and sustaining new corporate social responsibility activities
- Raising employee awareness of the challenges around environmental and corporate social responsibility through presentations, activities and the introduction of new communication tools
- In 2015, we will continue to provide information about the actions undertaken to unite our employees around CSR and around the values of KLB Group.