SWORD
UPGRADE *YOUR BUSINESS*

Sword Group

Sustainable development policy and social and environmental responsibility

March 2021

Group

Sword Group is a European IT company specializing in the global supply of software and services to regulated industries.

Sword Group is building its expansion on the foundation of values and principles implemented by its executives and staff members.

The purpose of this document is to formalize the shared values and principles that are essential to Sword Group and its staff members so that everyone can refer to and comply with them.

These values and principles clearly assert Sword Group's ethical commitment and responsibility in all areas of the Group's business with regard to shareholders, company members, customers, suppliers and various partners.

Another purpose of this document is to rally employees around the Group's values and principles which they commit to respecting as key players in the life of Sword Group.

As a company with strong, sustainable and profitable growth, Sword Group applies a development approach based on specialization, proximity and the quality of its services.

In working with rigorously selected organizations, the Group continues to offer innovative ideas to its customers, while ensuring its business knowledge, technical expertise and ability to innovate over the long term.

The on-going objective of excellence and leadership is developed in line with the Group's founding values: respect, rigour and involvement.

The company asserts its commitment to the Global Compact in accordance with the ten principles set out therein.

Jacques Mottard
Chairman and Chief Executive

1. General conduct

Sword Group signed the Global Compact (United Nations Global Compact) in 2011, committing itself to complying with the ten principles relating to human and labour rights, the environment and corruption.

In signing the Global Compact, the company wanted to show that it is a corporate citizen in the global economy. The choice of the Global Compact was made because it guarantees a globally recognized framework as well as sustainability. Sword Group thus ensures that the ten principles enshrined in the United Nations Global Compact are respected:

- Universal Declaration of Human Rights
- Declaration of the International Labour Organization on Fundamental Principles and Rights at Work
- Rio Declaration on the Environment and Development
- United Nations Convention against Corruption.

Human rights

- Companies are invited to promote and ensure the protection of international human rights law in their sphere of influence and
- To ensure that their own companies are not complicit in human rights violations.

Labour law

- Companies are invited to ensure freedom of association and to recognize the right to collective bargaining
- Elimination of all forms of forced or compulsory labour
- Effective abolition of child labour
- Elimination of discrimination in employment and occupation.

Environment

Companies are invited to:
- Apply a precautionary approach to environmental issues
- Undertake initiatives to promote greater environmental responsibility; and
- Promote the development and dissemination of environmentally friendly technologies.

Anti-corruption measures

- Companies are encouraged to take action against corruption in all its forms, including extortion of funds and bribery.

www.unglobalcompact.org

The social responsibility of Sword Group is to consider the company not only as a production facility and profit centre, but also as having a responsibility for its environment (human aspects internally and externally, preserving the environment, etc.).

The application of this general framework takes concrete form in various actions tailored to the specific features of Sword Group, its business lines, employees and subsidiaries.

2. The Group's Continuous Improvement Policy

The Group has chosen to commit to improving its governance in the short term.

We will focus on two main points:
- The Board of Directors, with its remunerations, audit and appointments Committees,
- « CSR » (Corporate Social Responsibility) policy,

In the short term:
- At the level of the Board of Directors

By June 2022:
- To have an undisputed independence of a greater number of directors,
- Have more women represented on the Board,
- Better communication on the work of the Audit, Remunerations and Appointments Committees.

- In terms of CSR policy

By the end of the first quarter of 2022:
- Communicate to the market accurate and controlled data on our social initiatives, our environmental policy and our governance,
- Set targets for improvement in each of these areas.

3. The human factor

Training

Sword is a specialised Services and Software company specialised in digital transformation. The added value Sword offers to its clients is greatly contingent on the quality of training and specialisation of its human resources. This is one of the most important vectors in the expansion of Sword. This is why the company pays special attention to managing skills and teams and has specific procedures in place to:

- Maintain skills and pool knowledge through the implementation of training and knowledge capitalization and sharing processes. These processes are consistent with the specific features of each of our competency centres and make it possible to 'grow' our staff members to become specialists in their field. To do this, the various educational means provided by Sword include:
  - Specialized and general documentary assets
  - Tutorial references for each speciality
  - Support for new staff members in the form of mentoring and sponsorship
  - Implementation of on-line or external training, implementation of certification programs
- Maintaining team motivation throughout the term of a contract based primarily on an organization in small-size competency centres, strong involvement by management in the competency centre, internal mobility and personalized training plans
- Change management: induction and departure of a new staff member in a team taking account of the project's constraints and objectives.

As such, Sword is constantly investing in training. In 2020, 10% of employees have undergone internal or external training.

The Sword investment is not restricted to staff training; it also takes the form of outreach to universities and engineering schools through the world.

Presentations and partnerships in the United Kingdom with the University of Aberdeen, the Robert Gordon University, the University of Strathclyde, in the Middle East with the University of Saint Joseph in Beirut and in Switzerland with the École 42 (free school).

Managerial excellence

In light of the kind of activities undertaken by Sword and the type of contracts it implements (80% fixed-rate contracts), the organization has been adapted to take account of and the success of this type of activity, particularly in terms of its management:

- Organised into profit centres: the company has been structured as specialized, autonomous and federated competency centres, each with its own management. Each specialized service centre is a profit centre responsible for own output and results
- Project knowledge and expertise: managers in charge of specialized competency centres have technical training in computer sciences and all have extensive experience in IT project management in fixed-rate mode. Most of them are experts in their own field of competence
- Reinforced technical management: each competency centre relies on technical management which is directly integrated in the steering and guidance of the competency centre in the same way and with the same weight as commercial management
- A specialist's commercial approach: the Sword sales force is based primarily on its know-how and ability to innovate and support innovative and structuring projects in its specialist fields. Managers in charge of the trade section are directly linked to each competency centre and have a technical background, which makes it possible for them to add relevance in our speciality areas.

Staff empowerment

Most Sword Group employees and sub-contractors are managers with a high level of qualification. Sword provides its staff members with a wide range of tools intended to make their day-to-day tasks easier. 80% of the Group's engineers have four- or five-years' higher education.

Sword has many knowledge capitalisation tools that allow teams to independently access relevant information and the right specialists where appropriate.

Tools tailored for every need:

- Laptops for mobile workers, with external access to the Sword information system; all staff members have one or two additional monitors for their laptops to ensure greater comfort when working
- State-of-the-art collaborative tools (e-mail messaging, instant messaging, collaborative spaces, standardized document reference systems, professional HR tools, customer relationship management tools, each Group site is equipped with video conference rooms)
- Quality work environment: Offices are organized into small project teams and never have more than five people per room. Access to management is also ensured by the geographic proximity of offices.

Improving information in the company

Sword employees are involved in the company strategy through short hierarchy chains and regular information.

Entity meetings are held at least twice a year, where a free discussion addresses:

- Results and outlook for the entire Group along with its strategy directions
- Results and outlook for the entity in question, along with sales opportunities and strategy directions
- A comprehensive review of current projects, difficulties encountered and successes
- Focus on best practice

The services rendered by Sword are fixed-rate services in 80% of cases. Staff members are therefore in Sword premises for most of their work time. The term of services rendered in customer premises is capped at three years. Each service is regularly reviewed by the staff member and his or her supervisor. Team proximity promotes informal discussions and effective information dissemination.

Work - Life balance

The Sword Group offers a number of facilities to enable staff members to develop a better balance between work, family commitments and leisure time.

- Some Sword offices make it possible for staff members to access sports facilities, and to take part in team sports events
- Employees who so wish may create part-time work schedules
- Geographic mobility is always conditional on the staff member's approval. Sword's international presence also allows staff members to be offered international opportunities
- A range of fresh produce is offered to staff members to help ensure a sound diet and eat healthily in 60% of the locations

Equal treatment

Sword applies a number of measures to ensure the best possible equality of professional treatment within the Group. These measures are as follows:

- Annual one-on-one interviews conducted by company managers - the interview report is completed jointly by the manager and staff member
- Performance-related compensation packages described in an annual assignment sheet - regular results assessment
- Sword has implemented regular monitoring of equal treatment between employees. Monitoring involves regular surveillance of indicators such as the breakdown of compensation packages by sex in the various regions with a comparison of average salaries between the current and previous year. Figures will be provided for the year 2021.

Special attention is paid to equal opportunities in hiring:

- Recruitment ad systematically posted on LinkedIn,
- Standard advert always written in inclusive script,
- Standardised recruitment process with a logic testing session as a fundamental part of the process, aimed at providing recruiters with objective decision criteria,
- All new recruitment, hiring and remuneration is strictly based on the knowledge, skills and competencies of individuals.

In 2020, the Group recruited 225 new employees.

The turnover for 2020 is 10% for the Software Division and 9% for the Services Division.

Sword's various locations are part of the dynamics of their region, and as such various actions are undertaken:

- Sponsorship for socio-cultural activities,
- Investment in higher education through interventions in school curricula, participation in student forums, and internship offers developed with the schools and students concerned,
- Strict compliance with labour laws in each country where Sword operates,
- Recruitment in local employment areas or through voluntary mobility,
- Support for non-profit organisations,
- Sponsorship of graduate awards at local universities.

At Group level 42% of employees are women and the Group has over 25 nationalities worldwide

Profit-sharing

Sword Group staff members share in the company's results either by annual profit-sharing mechanisms or via the award of stock options (mechanisms differ according to the laws and regulations in the various countries where the Group has subsidiaries).

Security

The Group has published its whistleblowing, data security and anti-corruption policy on its website.

4. Environment

Management of impact on the environment and natural resources

Sword Group activities are service activities with a persistently low environmental impact. Nevertheless, we have implemented a simple and concrete policy of preserving the environment and reducing energy consumption in the context of sustainable development.

Raising awareness among employees about the right thing to do:

- Turn off lights, computers and all electrical appliances as soon as possible,
- Limiting travel by making the best possible use of modern communication technologies (telephony, videoconferencing, etc.), including during client project management meetings. Each Sword site has a meeting room with an integrated videoconferencing system for virtual meetings,
- Controlled use of air conditioning,
- Maximum use of public transport for urban travel. In order to encourage the use of public transport, Sword covers part of the cost of transport passes,
- Encouraging carpooling for all of our engineers' extra-urban business trips,
- Travel by rail whenever possible, particularly for travel between sites,
- Bonus for the use of electric cars and bikes.

	60% of the energy consumed is green		97% of our IT equipment is recycled
	70% of our waste is recycled		89 % of our purchases are from local suppliers *excluding computer equipment

- Generalisation of the installation of "Radar" switches to guarantee unnecessary electricity consumption,
- Annual audit of buildings to assess the quality and performance of electrical installations,
- Implementation of virtualisation of all IT servers in 2007 which reduced KW/h consumption by 6,
- Acceleration of the implementation of collaborative tools to limit travel,
- Limiting paper printing as much as possible in the context of projects. The engineers only print the final version of the documents. All proofreading is done via a computer. The Group's printer has the Imprim'vert label and respects, among other things, the principles dictated by the FSC (Forest Stewardship Council) and PEFC (Program for the Endorsement of Forest Certification),
- Reuse and recycling of paper,
- Construction and extension of all Sword buildings according to the HQE standard.

5. Governance

The Board of Directors is composed of six members, three of whom are independent directors.
- Jacques Mottard, Chairman of the Board of Directors,
- François Barbier, independent Administrator,
- François-Régis Ory, independent Administrator,
- Patrice Crochet, independent Administrator,
- Nicolas Mottard, Administrator,
- Frédéric Goosse, Lead Administrator.

The Board of Directors is responsible for managing the major orientations of the Group's organisation:

- It makes the company's strategic choices;
- It manages all matters necessary for the proper functioning of the company;
- It controls and verifies all the points that it considers should be monitored.

The members of the Board of Directors have been chosen for their financial and/or technical qualities and their belonging to different professional backgrounds, thus being able to bring an enriching experience to the Board.

The attendance rate at meetings in 2020 was 95.8%.

A woman has been appointed in 2021 to the Board and other members will join the Board in 2021/2022.

The Audit Committee is represented by two independent directors.

In 2021, new committees will be created to improve the governance of the Group.

The Board of Directors has delegated the day-to-day management of Sword Group and the representation of the Company in relation to this management to two of its members who form the Executive Management.

The Executive Management of Sword Group SE consists of Jacques Mottard, Managing Director and Frédéric Goosse, Managing Director and Group Finance Director.

The Executive Management is supported by an Executive Management Committee (EMC). General Managers are in place to manage the Group's activities around the world.

The Executive Committee is composed of the following persons

- Jacques Mottard as President and Managing Director Switzerland and Middle East for the Services Division,
- Dieter Rogiers as Managing Director of Belgium/Luxembourg/Greece for the Services Division,
- Dave Bruce as Managing Director of England for the Services Division,
- Nick Scully as Managing Director England / USA / Australia for the Software Division,
- Phil Norgate as Director of Mergers & Acquisitions,
- Frédéric Goosse as Finance Director.

6. Conclusion

A company with strong, sustainable and profitable growth, the Sword Group is pursuing an expansion approach based on specialization, proximity and the quality of its expertise and services.

In working with carefully selected organizations, Sword continues to deliver innovative ideas to its customers while maintaining its business knowledge, technical expertise and ability to innovate.

The on-going pursuit of excellence and leadership by Sword is developed in line with the Group's founding values: respect, rigour and involvement.