



# CONTRIBUTING TO A SAFE, FAIR AND SUSTAINABLE FUTURE

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**EXOSENS**  
REVEAL THE INVISIBLE



# SUMMARY

1. Editorial
2. Our approach
3. Focus on double materiality
4. Key figures
5. Our axes of commitments
6. Focus on deployment



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# EDITORIAL

Jérôme Cerisier, CEO



“

In our journey to provide high-end electro-optical technologies for defense, life science, industrial control and nuclear applications we acknowledge our role in a rapidly changing world and the need to understand and address environmental and social issues.

We are facing global challenges and understand that we operate within a finite world with planetary boundaries which cannot be exceeded. By calculating our carbon footprint in 2022, we gained crucial insights into our current environmental impact. We are now actively working within the group towards reducing our greenhouse gas emissions by setting up a climate action plan. We also aim to reduce resource consumption and minimize waste through a thorough life cycle analysis of our products and taking into account eco-conception criteria within the design process of our products. Environmental-friendly sourcing and responsible purchasing are linked to this and constitute challenges we decided to tackle.

Employees being at the heart of the group, we foster a culture of inclusion, gender equality, and well-being. The dedication of our workforce fuels our innovation and progress and the health and safety of our team members is paramount to our success.

We are also keen on anticipating upcoming regulations, such as the Corporate Sustainability Reporting Directive, to be able to show significant results which create value for future development.

Our sites were already implementing environmental, social and governance (ESG) initiatives. Therefore, we decided to structure the existing actions at group level. Our ambition is to be committed on the long term and to have a greater impact.

Our will to be committed is even stronger as Exosens is growing and increasing its influence and interaction with a multitude of actors: our employees who are now spread over 12 sites around the world, our customers who operate in diversified sectors, as well as our suppliers, partners, and investors. The expectations of Exosens and its stakeholders is reinforced and our responsibility is to focus our efforts on being an even more sustainable, transparent, committed and trusted employer and business partner.

For homeland security or defense, quality control or manufacturing inspection, life science, medical or nuclear, the heart of our activities is to ensure safety. Our product ranges contribute to sustainability through their applications, such as methane gas detection waste management, plastic sorting, enhanced diagnosis, earth observation and surveillance.

We acknowledge that corporate social responsibility (CSR) is a strength and a driving force. Our ambition is that CSR constitutes a core element of our corporate strategy”.

# OUR APPROACH

1.

## A CLEAR VIEW OF WHERE WE ARE IN ORDER TO BUILD WHERE WE WANT TO GO

We have been working for almost a year on the group CSR strategy helped by Ekodev a specialized and renowned company within the field.

**We thoroughly reviewed our processes and the existing actions linked to ESG issues** within the different sites to obtain a clear view of where we are in order to build where we want to go. We also created a steering committee for the project with employees working on different positions in each of our sites.

**Incorporating people was a crucial aspect to federate employees and formulate a strategy that aligns with our operational approach.**

2.

## A DIALOGUE WITH OUR STAKEHOLDERS TO IDENTIFY OUR REAL CHALLENGES

We interviewed internal stakeholders to identify the relevant topics for the group. The overall result is that **CSR is truly understood as a whole, with social, environmental and governance duties that help to feed market expectations.** Environmental issues represent a greater challenge than social issues, which are based on long-established practices.

The interviews of clients, suppliers, investors, prescribers and federation also contributed to highlighting **the importance of ESG subjects for our external stakeholders.** The way to handle ESG issues is a key differentiator for our clients and our investors. Acting as a supplier, **we are at the heart of making a difference for customers, as part of decarbonizing the supply chain.**

We have a long term and trusting relationship with our suppliers and want to foster a **collaborative approach to improvement and progress as global performance** now includes sustainable business.

# OUR APPROACH

3.

## IDENTIFYING AND PRIORITIZING KEY ISSUES THROUGH METICULOUS ASSESSMENT

This last step enabled us to **identify, evaluate and prioritize our biggest impacts on environmental, social and governance topics.**

**We built a double materiality matrix which is the skeleton of our CSR strategy** as it outlines the importance of the different stakes both for the ecosystem and on Exosens. The double materiality matrix is the foundation of our 4 pillars and commitments.

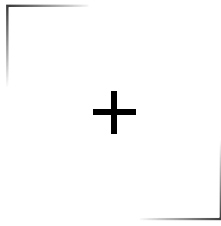
4.

## MOBILIZING EVERYONE FOR AN APPROACH THAT MEETS THE CHALLENGES

This process required co-construction and engagement: A **steering committee with employees from different positions in each site** was established. **Regular reporting to the Group executive committee** were made on the progress of the CSR Strategy's elaboration.

We also decided to have a strong CSR governance and **nominated a CSR and compliance manager at group level** reporting directly to the Chief Finance Officer.

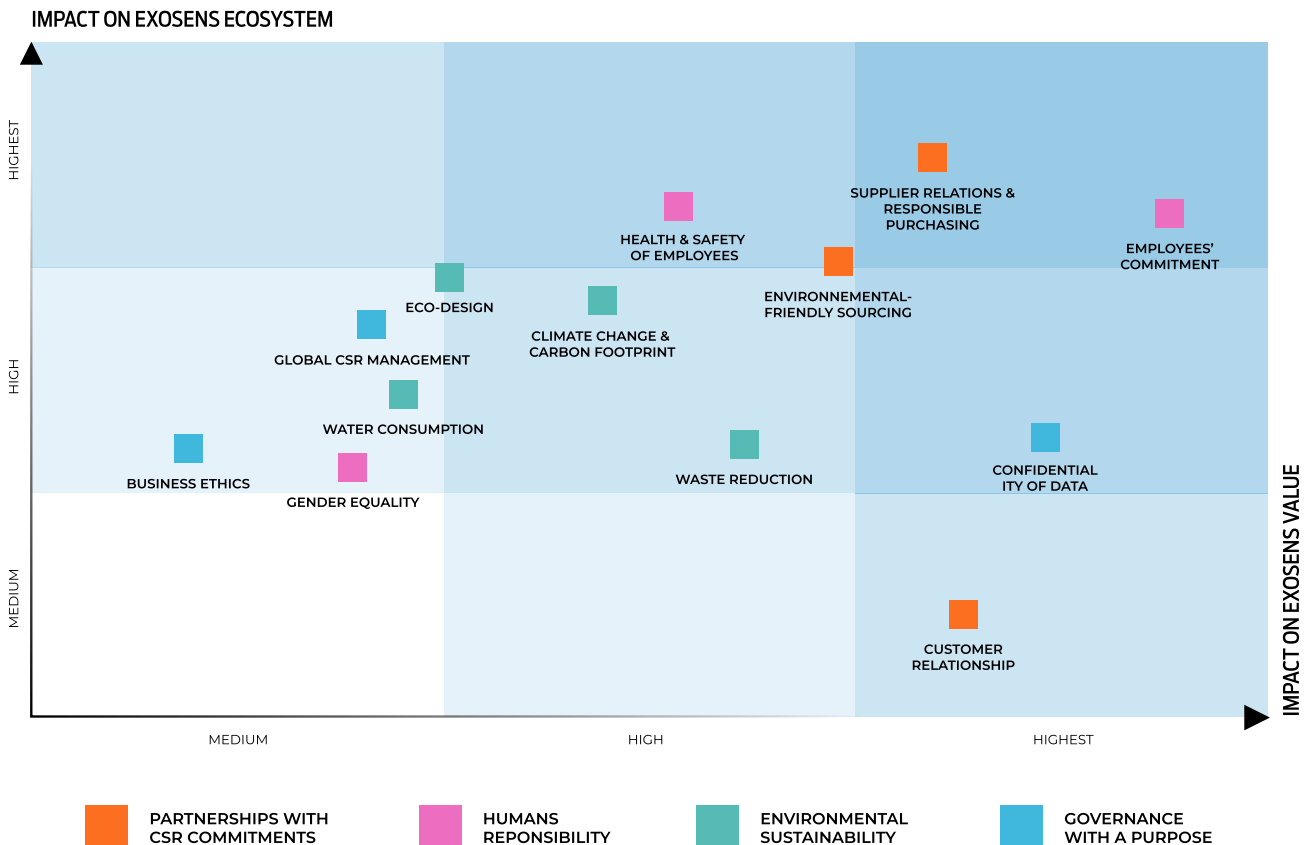
**CSR coordinators within the sites are in charge of the deployment of the strategy at sites level.**



# FOCUS ON DOUBLE MATERIALITY

The double materiality matrix shows the impact of ESG issues on Exosens and on our ecosystem. The highest rated issues are important to the group and our stakeholders. These matters are strongly linked to Exosens' business model and are essential for the company's sustainability. It gives us guidance for business planning and help us address investors ESG expectations.

It is also aligned with the ambition of the European Corporate Sustainability Reporting Directive (CSRD) according to which business will have to establish which sustainability matters are most material in light of the impact of our activity on our ecosystem and risk and opportunities that these stakes represent for our activities. To be prepared for our upcoming reporting obligations resulting from the CSRD, we expect to begin reporting on non-financial KPIs in 2024 with the aim of publishing our first CSR report in 2025.



**20**

Interviews of **internal stakeholders**

**10**

Interviews of **external stakeholders**

**5**

**Co-construction Workshops**

# KEY FIGURES

+

**22**

**Selected issues**

**4**

**Axes of commitments**

**6**

**Action plans**

**15**

**Impact targets**



# OUR AXES OF COMMITMENTS

The results of the materiality analysis are the basis of the axes of commitment of our CSR strategy. **Our commitments are linked to the Sustainable Development Goals (SDGs) which are a set of 17 global objectives established by the United Nations** to address key global challenges with the aim of improving the well-being of all people and the planet by 2030.



# 1. ENHANCING OUR ENVIRONMENTAL RESPONSIBILITY

We aim to establish GHG emissions reduction targets linked to the Science Based Target initiative. Our goal is to reduce our operational emissions (scope 1 and 2) by 42% in 2030 with an aim to reach carbon neutrality on scope 1 and 2 by 2040. We plan to limit our impact on the environment by integrating an eco-design approach in our product design, while also optimizing water and power consumptions.

By adopting sustainable approaches to design and manufacturing, we can minimize our environmental footprint and prioritize product safety and utility.

## OUR TARGETS

Reduction by

# 42%

of the absolute CO2 emissions related to scope 1 and 2 **by 2030**

## REDUCTION

of **scope 3 emissions** by 2030

## CARBON NEUTRALITY

on scope 1 and 2 by 2040

## TARGETS VALIDATED

by the Science Based Targets Initiative

Eco-design approach for

# 100%

of our new products by 2027

## SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS



# 2. ACHIEVING CSR IMPACT WITH PARTNERS

Our ambition is to build strong CSR commitments, from the source to the customers. We aim to align our practices with the established CSR framework of Ecovadis and, following this methodology aligned with international standards, to be rated Gold Medal end of 2025. Recognizing the importance of maintaining a sustainable supply chain, we aspire to guide our strategic suppliers in their CSR initiatives. Our own progress in CSR is also linked to the integration of ESG targets into executive bonuses.

## OUR TARGETS

# 80%

of our strategic suppliers are committed to a CSR approach **by 2027**<sup>1</sup>

## ECOVADIS GOLD MEDAL

by the **end of 2025**

## EXECUTIVE BONUSES

include an **ESG target** for 2024

## SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS



<sup>1</sup> A strategic supplier is defined here as a supplier with an annual volume of business above 100k € (or its equivalent in USD) or single source supplier.

# 3. TAKING CARE OF INDIVIDUALS

Our duty is to ensure safety and optimal working conditions for each employee and promote gender equality in each function. We strive for our employees to feel a sense of pride in belonging to Exosens knowing that they contribute to making the world a safer place. Our goal is to foster a supportive and inclusive work environment.

## OUR TARGETS

### DIMINUTION OF LOST TIME INJURY

frequency and severity rates

**80%**

of our managers to be educated on psychosocial risks **by 2025**

**30%**

of women within the executive committee **in 2026**

**In 2027**, employees engagement rate above

**70%**

## SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS



# 4. BEING UNCOMPROMISING ON ETHICS AND COMPLIANCE

Our responsibility is to remain vigilant of each new threat (cyber-attack, corruption, conflict minerals, whistleblowing) to prevent any conflict with our values. We fully comply with international regulations applicable in our fields. We have a strong commitment on ethical business practices.

We ought to have robust compliance systems, and transparent risk management.

## OUR TARGETS

# 100 %

of our partners<sup>2</sup> committed to respect our Code of Ethics **by 2025**

# 100%

of new employees trained on anti-corruption **by 2025**


# 4

phishing test campaign against attacks per year for all sites **by 2024**

## SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS



<sup>2</sup> Partners are defined here as suppliers (suppliers outside EU, USA, Canada, Israel or with annual volume of business above 100k € (or its equivalent in USD) or single source suppliers), agents or distributors.



# FOCUS ON DEPLOYMENT

Based on our strategy we identified short-term and long-term actions. Our CSR commitment being for the long term and a living tool of our group, these actions will be completed by others in the coming months.

Submission of **Science Based Targets initiative commitment letter** for short-term and long-term commitments



**Conducting life cycle analysis** for our products



Work on the scope 3 emissions' reduction **with 2030 as a target**



Creation of **a group survey** to report on engagement rate



Drafting a **CSR approach questionnaire** to be sent to strategic suppliers



**Ecovadis evaluation in 2024** to prepare for gold medal in 2025





■  
Implementation  
of **CSRD KPIs for  
non-financial reporting**

**First non-financial  
reporting** in 2024  
for 2023

■

■  
Annual reporting  
**on carbon footprint**  
(GHG protocol compliant)

Update of our  
**anti-corruption risk  
mapping** and our  
Compliance and  
Ethics policy

■

■  
Implementation of an  
**online anti-corruption  
training** for the most  
exposed employees

Implementation of  
**a group whistleblowing  
platform** in 2024

■



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