Manifesto "For an Ecological Awakening"

Answers from Thales to the student collective

1. Usefulness and purpose of the company's activity

a. Can you describe in a few lines the usefulness of your company for society as a whole? Is this utility being questioned at the strategic level in view of the current ecological emergency? Give some concrete examples.

Our mission:

Thales designs, develops and supplies equipment, systems and services in aeronautics, space, transport, digital identity and security, and defence and security. We develop solutions which are increasingly sustainable and that help our customers think smarter and act faster – mastering ever greater complexity at every decisive moment along the way.

Our purpose: Building a future we can all trust

Trust is essential for societies to flourish. Trust in our institutions. Trust in our systems. Trust in technology. Trust in each other. That's why we strive to turn leading-edge technologies into solutions that are both imaginative and resilient, human-centred and sustainable. So those we serve, our customers, can navigate uncertainty with confidence and new frontiers with optimism.

For us, at Thales, the energy transition and the climate emergency are the most pressing global challenges of our times. And the task ahead is clear: to promote a sustainable and economically viable energy transition (see our 2019 Integrated Report).

For example:

- We have pledged that 100% of our new products will be eco-designed by 2023.
- We are already working on digital technologies that consume less data and energy through the development of specific hardware and software solutions.
- Our new Flight Management System (FMS) will provide greater connectivity between aircraft and air traffic management systems, making it possible to optimise flight paths in real time. By 2023, our system will reduce the environmental footprint of aircraft and helicopters by 10%.
- We have been involved in the development of satellites, optical instruments and high-performance radar systems since 1974 – technologies that play a key role in observing the Earth, understanding climate change and monitoring the environment.
- All of these efforts and more are in keeping with Thales's strategy for a low-carbon future, which we adopted in November 2019. They are also consistent with the goal of holding the

increase in the global average temperature to well below 2°C above pre-industrial levels set out in the Paris Agreement.

2. Impacts on the climate, biodiversity and resources

a. Have you set up carbon accounting to allow a detailed analysis of the impact of your activities on the climate? Do you know the greenhouse gas emissions – not just CO2 – over the entire value chain (including use and end-of-life) on which you depend, and for individual products or service lines? Are these results used in the company's business processes? Give some concrete examples.

For more than 10 years, Thales has been monitoring and disclosing its greenhouse gas emissions in its annual reports. We also report on our performance through the Carbon Disclosure Project (CDP). In 2018, we received a CDP Climate Change rating of B, confirming our ranking as one of the most effective companies in our industry in the fight against climate change.

In 2015, following the COP21 conference, the Group pledged to develop a new strategy for a low-carbon future, including targets consistent with the 2°C objective of the Paris Agreement. In keeping with this commitment, we produced a roadmap and action plans setting out how we would achieve those targets while maintaining profitable and sustainable growth, and how we would measure avoided greenhouse gas emissions.

1/ Improving energy efficiency in our operations

In recent years, Thales has implemented initiatives to reduce its energy consumption and use of chemicals, which will in turn reduce greenhouse gas emissions and pressure on resources related to its activities. Thanks to these efforts, energy use remained almost flat (up 0.5%) between 2015 and 2018 despite production increases, while Group-wide energy intensity (energy consumption relative to sales) fell by 11.2% over the same period. Again on a Group-wide basis, carbon intensity (energy-related CO_2 emissions relative to sales) declined by 12% between 2015 and 2018, and by a further 2.9% between 2018 and 2019.

Measures we have taken to become a more energy-efficient business include:

- Rolling out a programme of energy performance initiatives for our sites in France (which account for 50% of our real-estate footprint).
- Making our data centres and data rooms more energy-efficient.
- Reducing our Power Usage Effectiveness (PUE), a metric we use to calculate the energy efficiency of our data centres. It measures the ratio between a data centre's overall electricity consumption and the power used to run the hardware within it. The lower the ratio, the higher the centre's efficiency. Since 2011, PUE performance at our most energy-intensive sites has improved from 2 to 1.6.
- Running employee awareness campaigns.

In 2018 and 2019, we carried out an in-depth review in order to develop specific action plans to reduce energy consumption by country. Seven countries, covering nearly 90% of our direct operational

emissions, set up joint working groups (made up of operations, property management, human resources and HSE departments) to develop the roadmap we will begin implementing in 2020.

2/ Considering our carbon footprint over the entire value chain (purchase of goods and services, and use phase of products)

The Group's indirect emissions – which we began measuring in 2017 and finalised in 2019 – include emissions related to the purchase of goods and services as well as emissions related to products and services sold (Scope 3). In 2019, we made a commitment to reduce these emissions by 7% by 2023 and 15% by 2030, in absolute terms, against a 2018 baseline.

Emissions related to the purchase of goods and services were calculated at 2,384 $ktCO_2e$ in 2018 and 2,289 $ktCO_2e$ in 2019, i.e. a 4% drop (excluding purchases relating to the newly integrated DIS entity, which will be included in the scope in 2020). We report on these emissions using financial emission factors associated with each Group purchasing category.

The Group has developed an action plan to reduce emissions related to its supply chain, including through dialogue with its suppliers. Measures include:

- Steadily gathering real data about greenhouse gas emissions related to the production of the goods and services we purchase.
- Identifying and carrying out actions to reduce the carbon footprint of these purchases.
- Sourcing from suppliers with a low carbon footprint wherever possible, as part of a responsible purchasing policy.

Since 2017, Thales has also measured emissions related to the use phase of the products, solutions and services it sells. We regularly adjust and fine-tune the way we calculate these emissions, for instance by updating the number of standard equipment usage scenarios, as well as the number of platform models, differentiating between on-board and mobile systems.

Aside from the need to phase out hazardous substances, previous life-cycle and environmental impact assessments have shown that, for most of our products, the use phase generates the greatest impacts, not least in terms of CO_2 emissions. These assessments also showed that efforts to reduce these emissions generally yield reductions in other environmental impacts, thereby allowing us to focus our actions.

For example:

- After reviewing the architecture of the A320 flight controls, we reduced the numbers of computers from nine to just six. This change yielded a weight reduction of 24 kg (i.e. more than 30%) and a 7% reduction in associated consumption, while improving safety and reliability.

CO_2 emissions related to the use phase of products placed on the market in 2019 were an estimated 14.5 million tCO_2e (uncertainty of 15%), making this the Group's largest single source of greenhouse gas emissions.

By developing our products and systems in line with eco-design principles, we are able to:

- Meet current and likely future environmental regulations, allowing us to manage obsolescence and associated industrial risk.
- Create value for our customers and use innovation as a key differentiator.

- Reduce our environmental impacts and uphold our commitments.

b. Do you have a **credible plan, with resources, by 2050** to reduce your climate impact, which means **reducing your value chain emissions by 4%**[a] **per year in absolute terms** (and not per product sold)? When and how do you plan to achieve carbon neutrality? Do you distinguish your direct impacts from your impacts covered by offsetting mechanisms?

Thales is stepping up its commitment to fighting climate change, reaffirming the undertakings it made by signing the Business Proposals for COP21 in 2015 and the French Business Climate Pledge in 2017 and 2019.

The Group's **strategy for a low-carbon future**, adopted in November 2019, calls for the active engagement of Thales employees, all of whom have a role to play on a day-to-day basis in implementing the strategy – at every level of the organisation.

Thales's strategy for a low-carbon future is built upon three pillars:

1. **Reducing our direct emissions and those due to our products**

Thales's objective is to involve its entire value chain in achieving ambitious reductions in greenhouse gas emissions, in absolute terms, consistent with the 2°C objective of the Paris Agreement:

- 40% reduction in direct operational emissions by 2030 (internal operations, staff mobility) with an intermediate objective of 20% by 2023.
- 15% reduction in indirect emissions in 2030 (procurement, use of Thales equipment by customers) with an intermediate objective of 7% by 2023.

2. **Providing innovative and eco-responsible functions and services** that enable our customers to reduce their own greenhouse gas emissions
   - By developing smart traffic management solutions (rail, road, maritime, air), resulting in decreased emissions.
   - By optimising the energy efficiency of the digital world through the development of solutions that are "energy-sober by design" for data science, algorithms and artificial intelligence.

3. **Supporting a better understanding of climate phenomena**, particularly with the development of dedicated space systems.

2018 is the baseline for monitoring progress made against these objectives, and regular follow-up will be ensured, including mapping of the Group's carbon footprint drawn up once a year. Thales does not currently integrate offsetting mechanisms into its accounting.

c. Do you have a detailed analysis of the impact of your activities on **biodiversity**? If so, according to which method or with which indicators? Is this analysis **used in the company's business processes**? To reduce your impact, do you first **avoid** and then **reduce** before **offsetting**?

Although the impact of Thales's activities on biodiversity is low, the Group nevertheless encourages its sites and employees to take action to protect the environment. We conduct species inventories – led by volunteers, or carried out in partnership with local authorities or biodiversity conservation organisations – and apply ad-hoc management measures. Various principles guide our approach to protecting the environment: preserving species, their habitats and ecosystems; taking care of local plant habitats; and protecting nature and history for future generations. All proposed developments are risk-assessed using a standard set of criteria, and we use the results to inform future planning.

We carry out impact assessments and, wherever possible, apply the "avoid, reduce, offset" (ARO) sequence, wherein we treat offsetting our impacts as a measure of last resort. Where offsetting cannot be avoided, we apply the principle of local ecological equivalence, seeking to replace any lost biodiversity services with equivalent gains. We applied the ARO sequence to the development of our new facility in Bordeaux, France.

Other examples of the action we are taking to protect biodiversity include:

- Rolling out habitat management plans at our facilities in Australia in order to enable natural biodiversity to flourish and to restore the site's original features (e.g. fencing off natural habitats to limit livestock encroachment).
- Installing outdoor features – such as bird boxes, beehives and feeders – at many of our sites in order to preserve natural habitats and support wildlife communities, commissioning experts to carry out species inventories, and reintroducing native tree species. These measures support balanced biodiversity and provide relatively safe habitats for a wide variety of plants, fungi and animals.
- Taking extra precautions to protect plants and wildlife at sites with large areas of grassland or forest, including promoting natural, environmentally friendly mowing and grazing methods and phasing out the use of crop protection products.
- Holding photography exhibitions (on forests, agroforestry and local species) at some sites to raise awareness among our employees.

d. Do you have an integrated analysis of the **global pollution** linked to your activity **throughout your value chain**? If so, on which ones?

Thales has long included health, safety and environment (HSE) criteria in its supplier evaluation and audit procedures. By assessing our suppliers' HSE performance, we are able to take the long view and develop dynamic action plans to manage and reduce our environmental impacts, basing our approach on internationally recognised standards including ISO 14001 (environmental management systems), ISO 45001 (occupational health and safety) and ISO 50001 (energy management systems).

Our resource management policy guides our efforts to preserve water, reduce our use of raw materials, produce less waste and recycle more, become a more energy-efficient business, and shrink

our carbon footprint. Each year, we report on our environmental performance in chapter 5 of our Universal Registration Document.

Examples:

- As we research new technologies and design new equipment, we endeavour to use as few materials as possible in order to cut down the size and weight of our products and systems, and to make them easier to dismantle. We also seek alternatives to substances that are especially harmful to human health and the environment. All suppliers of equipment and components that we assemble on-site are made aware of these requirements, and we have traceability procedures in place. We are also taking steps to optimise our manufacturing processes in an effort to limit material loss and waste and to improve energy efficiency. In 2017, we began using additive manufacturing (also known as 3D printing) to manufacture parts for the space sector. This material-efficient process also makes it easier to repair parts and allows us to optimise our services.

- The aims of Thales's responsible waste management policy are three-fold: to reduce the amount of waste we produce, to limit how much waste we send to landfill, and to recycle more. By taking action on these three fronts, we reduced per-capita waste generation by 5% between 2018 and 2019 (excluding special waste. And between 2012 and 2019, the share of waste sent to landfill (including all waste other than special waste, and excluding former Gemalto sites) fell from 25% to 14%.

- We have also reduced the amount of packaging materials we use (such as wood, cardboard and plastic) for supplies to Thales sites and for transfers between facilities, and we routinely reuse packaging.

e. Do you adopt a thoughtful **sobriety**[b] approach through the development of new offers and through your **marketing strategy** (e.g.: fight against overconsumption)? What examples can you give us?

Thales's approach to product and system development is guided by three priorities:

- Meeting current and likely future environmental regulations, allowing us to manage obsolescence and associated industrial risk.
- Creating value for our customers and using innovation as a key differentiator.
- Reducing our environmental impacts and upholding our commitments.

We do this in three ways:

- By considering the environment throughout a product's life cycle.
- By developing features and functions that improve our customers' environmental performance.
- By designing products that promote a clearer understanding and better management of environmental issues.

This approach is combined with other key Group policies and processes, including our product policy, and our engineering, manufacturing and purchasing processes.

Thales develops methods and tools to help product designers and architects make environmentally responsible choices.

Examples:

- In the air and land transport sectors, Thales's solutions help customers achieve greater operational efficiency while shrinking their environmental footprint. From flight controls to air traffic management, new functions developed by Thales over more than 30 years have improved performance while also reducing environmental impact in every phase of the flight. For instance, our air traffic management and flight path optimisation systems take weather conditions into account, thereby reducing noise and emissions.

- Likewise, our flight simulators have a dual environmental benefit: aside from their eco-design credentials, they also reduce the amount of time that trainee pilots need to spend in the air.

- Thales's interconnected systems for public transport operators ease access, improve traffic flow, reduce energy consumption, increase network capacity and shorten journey times. As our cities grow, offering sustainable urban mobility and inter-city travel options is one of the most effective ways to control CO_2 emissions.

- In the digital sector, Thales's strategy is to develop solutions that are "energy-sober by design", for example by exploring ways to bring down the energy requirements of artificial intelligence. Indeed, energy use is one of the major challenges of the digital age. In consumer AI applications, data is stored and analysed in gigantic data centres, preferably located in cold climates because of the enormous amount of energy they consume. Here too, Thales research teams are exploring new avenues of investigation. In particular, the CNRS/Thales joint physics laboratory, directed for many years by Nobel prize-winner Albert Fert, is researching ways to minimise the amount of energy that AI consumes so it can be used in constrained environments like an aircraft cockpit.

- Thales has been involved in the development of satellites, optical instruments and high-performance radar systems since 1974 – technologies that play a key role in observing the Earth, understanding climate change and monitoring the environment.

The energy challenge is crucial for the future, and not only in the digital world. The Internet consumes more energy today than the air transport system.

f. Do you monitor the global consumption and available stocks of the materials on which you depend (copper, gold, silver, gas, tungsten, tin..)? Do you calculate your material and water footprint?

As we research new technologies and equipment, we endeavour to use as few materials as possible in order to cut down the size and weight of our products and systems, and to make them easier to dismantle. We also seek alternatives to substances that are especially harmful to human health and the environment. In addition, we are taking steps to optimise our manufacturing processes in an effort

to limit material loss and waste. All suppliers of equipment and components that we assemble on-site are made aware of these requirements.

Thales exercises due diligence in relation to conflict minerals. As part of our risk management policy, and in keeping with customer expectations and our commitments, we expect our suppliers – as far as possible – to have an appropriate policy or procedure in place for verifying and managing the source and chain of custody of metals covered by conflict minerals regulations (tin, titanium, tungsten and gold) and to respond to queries on this matter.

Water is a vital resource – and protecting it is critically important. In 2000, we launched a far-reaching programme to reduce our water use. Measures include dealing with leaks, switching to centralised network management, replacing water-intensive equipment, optimising industrial processes and recycling water for reuse in these processes.

3. Integration of environmental issues into financial strategy

a. Have you developed an **analysis of the risks** induced on your business by climate change and the collapse of biodiversity (typically physical, regulatory, technological, markets, reputation, etc. risks)? Is this risk analysis published and if so where? Have you developed a **plan to adapt** your activities to these risks? Does this plan integrate the entire chain of your activity?

Thales's risk management policy includes a climate risk component. In 2017, climate risk was assessed by the Audit, Risks and Internal Control Department and the Executive Committee. The assessment is subject to regular review.

In 2018, Thales published its statement of extra-financial performance – a new regulatory requirement under French law. Of the six extra-financial risks reviewed in the statement, two related to the environment.

Risk of environmental impacts related to the Group's activities

- Emissions generated by our business activities have the potential to affect the environment, while the use of Thales products by customers may contribute to the production of greenhouse gases.
- However, our exposure to these risks is limited insofar as our core business is engineering and software development.
- That said, should some of our industrial operations contravene environmental laws and regulations, we could face sanctions, suffer harm to our image and reputation, and potentially see some customers refusing to do business with us.
- Moreover, climate change-related risks – such as natural disasters, supply chain disruption and market instability – could adversely affect Thales's performance and business model.

Assessing and monitoring environmental risk

At Thales, our climate adaptation measures are intended to build our resilience to climate hazards, earthquakes, resource depletion and other effects of climate change. Working with our insurers' loss

prevention specialists, we have assessed how vulnerable our facilities are to natural disasters. As well as identifying potential flooding, storm and earthquake risks, these assessments also enable us to anticipate the consequences of such events in terms of environmental impact, damage to property, impact on business and more.

Thales has mapped its risks related to water at around 160 sites worldwide. The analysis of existing and future risks encompassed social issues (such as access to water/sanitation and per-capita water availability) as well as economic aspects (conflicts over water rights) and environmental concerns (water consumption relative to the level of water stress in the catchment area). We are currently exploring the possibility of expanding our risk mapping initiative to include key suppliers, and examining ways to assess exposure to natural disaster risk in our supply chain.

b. Have climate and biodiversity issues already influenced the **strategic review of your assets**?

Yes, these issues inform two aspects of the strategic review process at Group level: business intelligence and the strategic business plan.

c. Are you ready to undertake the **necessary transformations** of your company to be in phase with the climate and biodiversity issues raised by the IPCC and IPBES, even if this should lead to **lower economic returns**?

Thales has adopted a strategy for a low-carbon future. The strategy is consistent with the Paris Agreement and we have set our targets using the methodology developed by the Science Based Targets Initiative (SBTi).

d. Have you carried out an **analysis of market developments** in a world that is in line with the trajectory of the Paris Agreements (i.e. in which **emissions are falling by 4% per year**)?

AFEP (the French association of private-sector companies) commissioned think tank The Shift Project to assess energy/climate scenarios and produce a set of recommendations for businesses. Thales was one of 15 AFEP members involved in the study, which used evidence and shared observations to foster a clearer understanding of climate change – a subject that will be a major topic of reporting for companies, including Thales, in the years to come.

e. Do you take into account an **internal carbon price** when calculating the economic profitability of your projects? At what price in €/tCO2e?

As a signatory to the French Business Climate Pledge, Thales is reviewing various carbon pricing and/or offsetting initiatives and will be taking tangible action on this front in 2020.

f. **How much of your budget and investment** is spent on addressing environmental problems and implementing solutions, compared to other areas of expenditure (e.g. communication, digital)?

Thales does not account separately, at Group level, for investments in addressing environmental problems. Investments in these areas (such as environmental investments, or the replacement of hazardous materials) form part of operating expenditures and are covered under the relevant budget lines.

One way Thales promotes green innovation is by devoting a significant portion of its R&D budget (of which over €1 billion is self-funded) to upstream research into new technologies, new systems and product concepts, and new engineering tools and data-analysis methods.

g. Given that short-term profitability constraints and the implementation of an ambitious ecological transition strategy are moving into opposite directions, what internal regulatory mechanisms do you have to ensure this transition?

Continuously improving energy efficiency and shrinking our environmental footprint are central planks of our strategy for a low-carbon future. We commit regular funding to support the measures set out in our strategy, which is overseen by a special steering committee comprising members of the Executive Committee.

4. Taking into account climate and biodiversity issues in the work of employees

a. Have you set up **training** on **climate, resources and biodiversity** topics for the **executive committee**? The **board of directors**? Managers? All employees? Do you have a communication to shareholders on these topics? If so, with which hourly volume?

The Group's environmental policy is endorsed and monitored by the Executive Committee, and the associated KPIs are reviewed on a regular basis.

The policy is also monitored by the Board's CSR Committee, which is chaired by the Chairman & Chief Executive Officer.

In early 2019, Thales set out its five-year health, safety and environment (HSE) objectives for 2019-2023. The objectives were shaped with input from employees and the Executive Committee. We followed the same approach for our strategy for a low-carbon future, which we adopted in November 2019.

All Thales employees have received environmental awareness training.

In addition, our engineering teams receive specific training on incorporating eco-design principles into new products.

Members of the management committees of operating units also attend HSE culture awareness sessions and undergo assessments to ascertain their degree of maturity. In early 2019, top managers responsible for deploying the Group's strategy received special climate awareness training, and separate training was arranged for management teams.

b. To what extent do you integrate environmental issues into the determination of **compensation (not necessarily variable) for executives, and in particular for the Chief Executive Officer**? If so, how is it indexed to quantitative objectives?

In 2020, the Chairman & Chief Executive Officer introduced a variable compensation policy that includes more CSR criteria – including environmental criteria – for a wider range of managers. These same criteria are used in the determination of the Chairman & Chief Executive Officer's compensation.

c. At which **hierarchical level** is the person responsible for global environmental issues located? What influence does it have on the company's operations? What decision-making processes is it formally integrated into? Is there a person in charge of environmental strategy on the **executive committee**, and if so, what is his or her position? During how many executive committees have climate or biodiversity issues been on the agenda? Out of how many?

The Group has set up an ad-hoc structure to oversee its environmental performance and risk prevention strategy. Responsibility for environmental and climate-related issues rests primarily with three committees, each at a different hierarchical level:

- Executive Committee: the CSR Committee conducts an annual review of the Group's strategy, which includes environmental and climate-related issues.
- Group level: the Group HSE Committee and Climate Committee are sponsored by the Chief Operating Officer, who sits on the Executive Committee.
- Operational level: the HSE Supervisory Committee is chaired by the Chief Health, Safety and Environment Officer. It is tasked with setting strategy and policy, defining associated methods, processes and standards, and overseeing their implementation across the Group. Beneath the committee sit two global networks:
  - A network of site/operations environment managers at country and entity level, whose duties cover buildings, infrastructure, energy, industrial processes, substances, waste and external sites. They are supported by a network of real-estate managers.
  - A network of product and service environment managers within group business units and business lines, who are tasked with incorporating environmental considerations into the upstream, bid and product development phases. They are supported by correspondents in Group-wide functions such as engineering, industry, purchasing, services, and bids and projects. The network is also tasked with anticipating regulatory changes and finding appropriate alternatives to restricted or prohibited substances.

d. Do you encourage your **employees**, at all hierarchical levels, to **influence the company's activity** and its main orientations, in view of the ecological emergency? (Working groups, possibility of carrying out sobriety projects, imagining tomorrow's jobs…) What **means and room for manoeuvre** do you give your employees to influence the company's development?

At Thales, we encourage our people to think innovatively and show initiative. Our annual Thales Awards recognise forward-thinking ideas in innovation (InnovAwards), digital transformation (Digital Awards) and social contribution (Solidarity Awards), providing employee-led projects with the visibility and recognition they deserve. Environmental concerns are at the forefront of our award criteria.

The Group also runs communication campaigns throughout the year to encourage environmental responsibility. In 2018, for instance, the "Thales Agit & Moi" campaign focused on the steps our employees could take individually to support five Group-wide priorities:

- Transport: adopting greener travel habits.
- Energy: reducing energy use.
- Purchasing: adopting eco-friendly purchasing practices.
- Product use: becoming a more responsible consumer.
- Resources: tackling resource depletion.

We are planning to run similar campaigns in 2020 as part of our drive to rally all our employees behind the priorities that matter most to our business.

5. The structure's relations with the rest of society

a. Do you have an environmental assessment of your **suppliers and subcontractors**? Do you choose them according to environmental and social criteria? Are these criteria based on quantitative indicators that ensure that the stakeholder is part of an ambitious ecological transition (e.g. within the framework of the Paris Agreements)? If so, which ones? What is your scope for progress in this area? What improvements do you plan to implement?

In our effort to create a more responsible supply chain, we have incorporated environmental criteria into our bid review and supplier selection processes. Key features of our supplier and subcontractor assessment procedures include:

- An Integrity & Corporate Responsibility Charter, which 17,000 suppliers and partners have signed to date. In 2019, we updated the charter to include stricter environmental requirements.
- A comprehensive supplier risk assessment questionnaire, developed with input from the International Aerospace Environmental Group (IAEG) and the French aerospace industry association GIFAS, and covering policies and actions in the following areas: health, safety and environment, human rights, and integrity.
- Supplier site audits by Thales's Purchasing Department, focusing on quality and technical aspects. Our auditors examine health, safety and environment issues, including environmental conservation, facility and employee safety, and responsible product management.

The outcome of these assessments determines how we proceed. We reserve the right to continue the relationship without further action, to work with the supplier or subcontractor to develop a risk mitigation plan, to refuse to do business with the company, or to terminate the existing business relationship.

b. Do you devote resources to **influencing regulations** that have or would have positive or negative effects on the environment? What are the major issues you are trying to influence? Which **influence groups** do you finance?

Thales encourages its partners to take a responsible attitude to climate change.

In keeping with our commitment to international leadership, we serve on the GIFAS “Carbon” working group and on IAEG Work Group 3 (WG3), which was set up to develop international emissions accounting standards with the support of leading consulting firm Carbone 4. Through our work with the IAEG, we have contributed to updated greenhouse gas reporting guidance for the aerospace industry, and to the development of an industry-specific methodology for calculating CO_2 emissions associated with purchased goods and services and capital goods.

We also took part in a joint study by AFEP and think tank The Shift Project to assess energy/climate scenarios and produce a set of recommendations for businesses.