Corporate Sustainability Program

2020 Progress Report

SIERRA WIRELESS®

Contents

Message from the Board Chair and President & CEO

There is no doubt 2020 delivered some of the most significant challenges Sierra Wireless and our stakeholders have faced – the coronavirus has impacted the very fabric of our professional and personal lives. On Friday, March 13, 2020, Sierra Wireless went into lockdown to protect our workforce, and like many other organizations, we faced countless barriers as the virus spread throughout the world. Our priority was, and continues to be, to ensure the safety of our employees and plan for the likelihood that some may, unfortunately, contract the virus. We provided our workforce with easily accessible resources and support, and continue to monitor the situation through our COVID-19 taskforce.

Throughout this report, you will learn how the coronavirus gave us the opportunity to rethink our approach to certain aspects of our operations. For example, we adopted a remote-working policy, we have dramatically reduced our workspace footprint and will look for opportunities to continue to reduce it, and we have tested alternate, non-air shipping methods. These modifications have resulted in a significant reduction in our greenhouse gas (GHG) emissions among other positive outcomes.

The real story of 2020, though, is about resiliency and adaptability – it's about how our employees were able to stay focused and committed to the continuity of our business and to delight our customers by exceeding their expectations in spite of the myriad obstacles we faced. We couldn't be prouder of the ways in which our workforce has rallied throughout these unprecedented times and we would like to express our gratitude to everyone who helped us succeed despite the roadblocks we faced.

As we slowly and carefully come out of lockdown, when the timing is right, we will continue to focus on ways we can adapt our operations to improve our environmental, social and governance practices. We remain committed to our corporate sustainability program, and our six goals – building sustainable communities; inclusion and diversity; deploying eco-design; accelerating supplier sustainability; and reducing GHG emissions and our contribution to the landfill. We look forward to 2021 with renewed energy and optimism.

Robin A. Abrams,
Board Chair

Kent Thexton,
President & CEO

An Overview
of Sierra Wireless

Sierra Wireless Global Operations

Sierra Wireless operates worldwide serving global OEMs and enterprises.

Vancouver, Canada
Corporate Headquarters

Paris
Toulouse

Atlanta

Sophia Antipolis

Taipei
Hong Kong

Melbourne

Business Overview

Sierra Wireless (NASDAQ: SWIR) (TSX: SW) is a leading Internet of Things ("IoT") solutions provider. Founded in 1993, the company is headquartered in Richmond, British Columbia, Canada, and services a global market for its products. By combining edge devices, connectivity services and cloud software into simple, integrated IoT solutions, we enable organizations to unlock value in the connected economy.

IoT Solutions

Our IoT Solutions segment includes our cellular wireless IoT module solutions, Octave edge-to-cloud solution, IoT connectivity services and embedded broadband solutions.

Cellular Wireless IoT Modules

Sierra Wireless' world-class and market-leading portfolio of cellular wireless IoT modules provides original equipment manufacturers (OEMs) with 4G LTE, 3G/2G, LPWA, Wi-Fi, Bluetooth and GNSS connectivity with simple, scalable and secure solutions that accelerate product development and deployment. This portfolio of secure IoT modules features built-in edge-to-cloud connectivity and both cloud and industrial APIs.

Octave™

Octave is our all-in-one edge-to-cloud solution that enables customers to securely extract, orchestrate, and act on data from their equipment to the cloud. With Octave, customers can focus on their data, simplify IoT application development and de-risk their IoT deployments.

Connectivity

We offer Smart Connectivity and Enhanced Carrier Connectivity options to simplify how our customers connect and manage their deployments. Both services leverage Sierra Wireless' 24/7/365 Global Network Operation Center ("GNOC") and our partnerships with more than 600 networks in more than 190 countries.

Embedded Broadband

Our Embedded Broadband segment is comprised of industrial-grade modules that provide unprecedented speed, bandwidth and network performance for connecting to the world's 5G and 4G networks. These high-speed modules are typically used in mobile computing and enterprise networking markets.

Octave™
Cloud Solutions

- Edge-to-Cloud Solutions
- Secure & Reliable
- Data Management

Connectivity
Solutions

- Smart Connectivity
- Enhanced Carrier Connectivity

Managed IoT
Solutions

- Asset Tracking
- Offender Monitoring
- Tank Monitoring

Embedded & Networking
Solutions

- Modules, Routers & Gateways
- Ready-to-Connect
- Connectivity Management
- Device Management

Business Overview

Enterprise Solutions

Our Enterprise Solutions include our range of Sierra Wireless AirLink® routers, IoT gateways, IoT applications and advanced network management, managed connectivity services, and mobility applications. Public safety, transportation, energy, industrial, retail, and financial customers trust our networking equipment for reliability and performance. We have a broad range of cellular gateways and routers complemented by our cloud-based services and software for secure management.

Gateway Solutions
Our Gateway Solutions address a broad range of market applications within the mobility, industrial, and enterprise market segments. Our products are known for their technical capability and high reliability in mission-critical applications. These gateways leverage our expertise in wireless technologies and offer the latest capabilities in long-term evolution ("LTE") networking, including wireless fidelity ("Wi-Fi"), Bluetooth, Global Navigation Satellite System ("GNSS") and FirstNet.

IoT Applications
Within our IoT Applications division, we offer market ready IoT solutions including asset and fleet tracking, offender and remote monitoring, and alarm communications. These solutions and services also benefit from our IoT cloud platform services, which customers can use to help connect devices to mobile networks, manage their devices and build new IoT applications.

Managed Connectivity
Our Managed Connectivity Solutions provide customers with reliable and secure wireless broadband connectivity when and where they need it, by combining our industry-leading hardware portfolio with multi-network connectivity access.

About Octave
Octave is an edge-to-cloud connectivity and data management solution. It enables clients to retrieve, select, and format data from local devices including legacy and proprietary equipment, and then manages its transmission to the cloud where customers can use it for their own analytics. It encompasses technologies including Sierra Wireless edge hardware, connectivity services, and cloud components to provide a fast, easy-to-use development and deployment platform for IoT projects. Octave extracts the data that is important for our customers so that they can quickly get actionable intelligence in the cloud.

Driving health and sustainability through IoT

The IoT market is set for a vibrant future as the world emerges from the COVID-19 crisis. Gartner has noted that almost half (47%) of the companies it surveyed plan to increase spending on IoT.[1] Those investments stem from a range of goals, including cost cutting, but also workplace safety.

The pandemic has forced companies to change the way they think and act, repositioning employees and considering new ways of interacting with companies. It has caused organizations to embrace change more than ever as they reinvent themselves to become more resilient and responsive.

IoT promises to be a big part of that transformation, and it brings societal benefits in areas ranging from environmental sustainability through to personal well-being. With 28 years of experience in connected devices, Sierra Wireless was leading in IoT solutions before the term was even invented. In 2021, with a connected ecosystem stretching from intelligent endpoints to the cloud, we are well positioned to help build sensor-based environments that boost sustainability and efficiency both in the private and public sectors.

Creating powerful healthcare outcomes

IoT has long been a valuable asset in environmental solutions, but it is also a key tool in an industry that was put under considerable strain in 2020: healthcare. Gartner said that while some IoT markets suffered in 2020, IoT revenues in healthcare grew by over 20%.[2] Hospitals and clinics are already using connected endpoints for medical outcomes but their use is set to grow as healthcare providers realize the benefits of smart medical devices.

The IoT is making inroads into medicine with the creation of the LUCI smart wheelchair. LUCI's unique hardware and software platform enables wheelchairs to 'see' their environments, alert users to nearby dangers, and notify their contacts in an emergency using Sierra Wireless connectivity.

1. Gartner, October 2020. '*Gartner Survey Reveals 47% of Organizations Will Increase Investments in IoT Despite the Impact of COVID-19.*' Available at: https://www.gartner.com/en/newsroom/press-releases/2020-10-29-gartner-survey-reveals-47-percent-of-organizations-will-increase-investments-in-iot-despite-the-impact-of-covid-19-s. Accessed April 2021.

2. Gartner, December 2020. '*IoT endpoint electronics revenue for enterprise and automotive will decline 3% in 2020, but rebound in 2021.*' Available at: https://www.gartner.com/smarterwithgartner/will-iot-thrive-post-pandemic/. Accessed April 2021.

An Overview of Sierra Wireless

Enhancing workplace safety

Remote access and zero-touch management will be big drivers for IoT in the coming year, according to Gartner. The need to keep employees safe and productive will persist after the pandemic, and that's a particular challenge for companies with employees that must work on-site.

Sierra Wireless has solutions for clients including utilities, whose technicians must access work orders for grid maintenance and repairs. Our mobile routers can streamline service calls by giving employees the information they need while minimizing trips to the office.

Closing the digital divide

Today's society depends more than ever on digital connections, and yet in the US, large numbers of people are still without broadband access. The more that we can do to close the digital divide, the better.

In 2020, Sierra Wireless worked with a consortium of companies to help turn Sacramento buses into hubs for distance learning, telework, and telehealth. Repurposed Wi-Fi buses kitted out free of charge with Sierra Wireless equipment provided access to hundreds of disadvantaged citizens, including children who were able to participate in distance learning during the COVID-19 crisis.

Building a smarter grid

Intelligent home-energy storage vendor Electriq worked with Sierra Wireless to connect its PowerPod smart-home battery systems to the cloud. These units store energy locally to help regulate demand on the grid and improve power stability. The Sierra Wireless FX30 IoT gateway connects them via LPWA to Electriq systems that can monitor and manage local energy storage while also giving customers access to their energy data via mobile apps.

Protecting offenders with home-monitoring solutions

Our Omnilink® offender monitoring solution, which uses connected ankle bracelets to monitor offenders, were originally only used for parolees. However, more recently they have been used to support a social justice agenda acknowledging that those charged with an offence are innocent until proven guilty. Justice systems have begun using Omnilink to monitor those who are awaiting trial but who cannot pay large bail fees.

The pandemic accelerated this trend. Our Omnilink business jumped 50% in 2020 as we helped justice systems to avoid populating overcrowded prisons with pre-trial detainees.

Corporate Sustainability
at Sierra Wireless

Corporate Sustainability at Sierra Wireless

Introduction: About this fourth annual corporate sustainability program

This is the fourth annual review of Sierra Wireless' corporate sustainability program initiatives and achievements, covering the calendar year 2020.

This report is our opportunity to voluntarily disclose our sustainability and community-building efforts to our many stakeholders, including investors, customers, suppliers, and local communities. We are committed to transparency and accountability, and this report helps us to facilitate valuable dialogues with our stakeholders from around the world.

It has been an unusual year, not just for Sierra Wireless but for the world. Across the globe, companies have grappled with a generational crisis, navigating volatile economic conditions while struggling to keep workers both productive and safe.

Due to the pandemic, a number of our sustainability efforts were placed on hold while we did our best to ensure the well-being of our workforce and keep supply chains stable so that we could serve our customers.

This report describes the current state of play with regards to our sustainability goals, identifying where we were able to make headway and charting our plans for areas where we were unable to move forward in 2020. It also contains data up to and including 2020 across our global operations, spanning our headquarters in Richmond, Canada, and our facilities in the United States, Europe, and Asia.

Deborah Nicols
Senior Director, Customer Engagement & Corporate Quality, and Corporate Sustainability Program Lead

In 2020, more than ever, we focused on listening to our employees to better understand their priorities and their concerns during troubling times. We plan to emerge from the pandemic with an even better awareness of their values and needs, and will put this to use as we refine our corporate sustainability program and goals in the coming months.

Corporate sustainability governance

Corporate sustainability has become a central value at Sierra Wireless since we launched our first report in 2017. The drive for more sustainability and a concentration on community comes from the very top. Our board and senior leadership team are committed to driving forward our focus on sustainability, community, and people even during one of the most volatile times in our history.

Our customer experience team is diligent in its efforts to drive these values into the heart of our operation. They collect data each year that help us to focus our corporate sustainability efforts where they are most needed and produce tangible outcomes for the environment and for wider society. Our progress is reported to the Governance and Nominating Committee of the Board twice a year.

Corporate Sustainability at Sierra Wireless

Overview of 2020 activities

The COVID-19 pandemic created significant headwinds for some parts of our corporate sustainability program, while accelerating others. In spite of the significant challenges that we faced, we made some advances on all fronts and learned some valuable operational lessons along the way.

Background/methodology

At Sierra Wireless, our values come from our stakeholders. We have a corporate sustainability committee that listens to our customers and employees to understand what drives them. This helps us to build a cohesive strategy based on what's important to our community. The corporate sustainability committee then sets goals that support those values.

However, values on their own are not enough. We believe that action relies on accountability, so we reinforce our sustainability efforts with an organizational structure that embeds our values at every layer of the organization, from executive management down to our operational staff.

Accountability relies on transparency, so that everyone can see what we have committed to and how our actions match those commitments. This report is part of that transparency. Another part is our reliance on strong partnerships with others outside the company to help set the standard for responsible, sustainable operations.

THE RESPONSIBLE BUSINESS ALLIANCE

As members of the Responsible Business Alliance (RBA), we adhere to its Code of Conduct, which sets strict industry benchmarks for social and environmental sustainability in electronics industry supply chains.

The RBA Code of Conduct covers several areas:

Labor
Protecting human rights for workers at all stages in the supply chain.

Health and safety
Ensuring a safe and healthy workplace for everyone.

The environment
Minimizing the environmental impact of manufacturing.

Business ethics
Operating with integrity to meet social responsibilities.

Management systems
Implementing management systems that enable companies to comply with the code and with relevant local laws.

Sierra Wireless is committed to upholding the RBA's mission and vision:

Mission
Members, suppliers, and stakeholders collaborate to improve working and environmental conditions through leading standards and practices.

Vision
A global electronics industry that creates sustainable value for workers, businesses, and the environment.

Corporate Sustainability at Sierra Wireless

Materiality assessment

Corporate sustainability is an evolving discipline within Sierra Wireless. We began our journey in 2017 with a quest to identify our priorities for corporate sustainability as an organization. It started with a foundational project involving conversations with several stakeholders in our community. This materiality assessment invited feedback from employees, customers, and suppliers through surveys, focus groups, and in some cases, audits.

That feedback helped to identify over a dozen material topics that Sierra Wireless and its community considers important. Broadly based on the Global Reporting Initiative (GRI) standards, they include:

Environment

- Using eco-design concepts to create products with consideration for the environmental impacts throughout their lifecycle
- Ensuring our recycling is responsible
- Reducing our carbon and energy footprint
- Conducting regular risk assessments, audits, and verification of Sierra Wireless' supply chain
- Practicing responsible sourcing and outsourcing
- Sierra Wireless products and services security

Governance and Compliance

- Complying with regulations on fair competition and export controls
- Meeting customer and regulatory expectations/requirements
- Maximizing the capability of Sierra Wireless to adapt to changing laws, regulations, and standards
- Complying with anti-bribery, anti-corruption, and anti-fraud requirements and exhibiting ethical behavior
- Considering social issues associated with raw material sourcing

People

- Building sustainable communities
- Creating a respectful workplace that fosters equal opportunity and diversity
- Attracting top talent that will bring fresh perspectives and added value
- Developing and retaining our highly skilled workforce

Three Themes for 2020

In 2020, we continued to pursue the three sustainability themes we selected in 2019:

People

Building Sustainable Communities

Environment
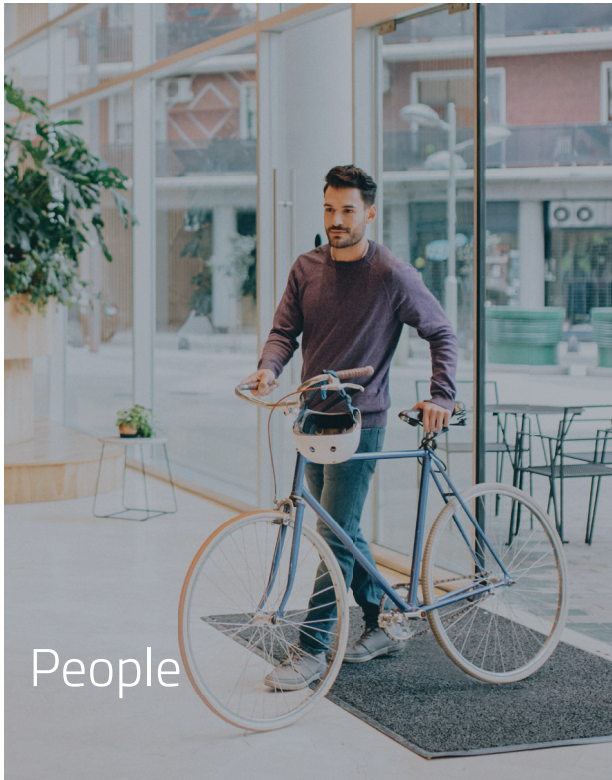
Always a priority at Sierra Wireless, this area of corporate responsibility was a particular focus for us this year as we concentrated on looking after our employees during the pandemic.
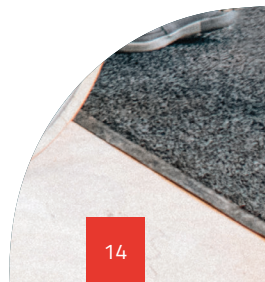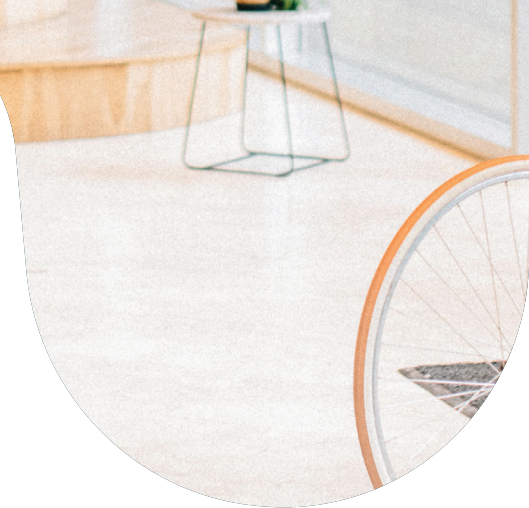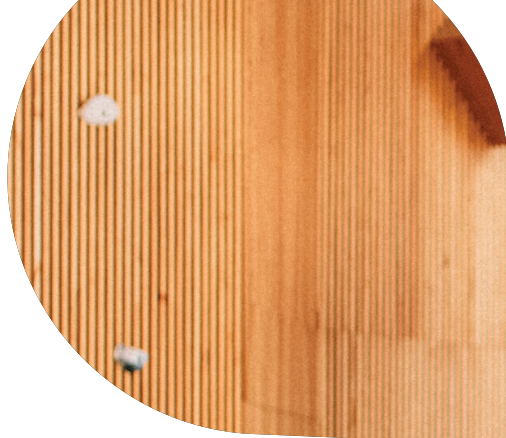
Community is what happens when people come together to create great things. At Sierra Wireless, we see a clear link between the development and nurturing of our people and the health of our communities.
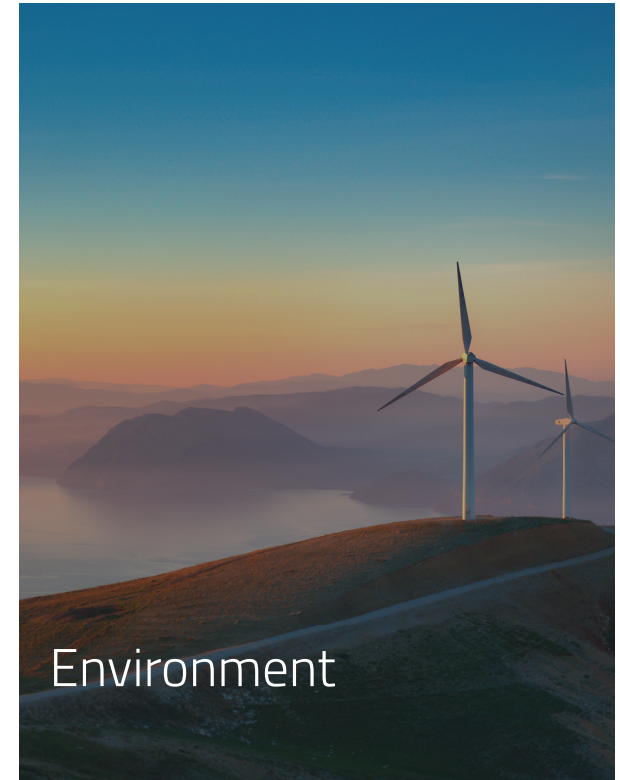
Communities cannot flourish without a healthy and sustainable planet.

People

THEME 1. People

Sierra Wireless has appreciated its people since the company began 28 years ago, but we quickly made diversity and well-being an official focus after formalizing our corporate sustainability strategy in 2017. Our people-driven sustainability effort faced many challenges in 2020, not least because so many employees transitioned to working from home. We were forced to defer some of our 2020 commitments as we focused on the pandemic.

In spite of 2020's challenges, we are proud to report some key wins in areas including diversity and employee well-being. We continue to enhance and expand the status of women at Sierra Wireless, especially in senior management positions. This continues to be a focus for our CEO, who has been vocal in his support for a more diverse workforce with greater opportunities for all.

Lisa Blackham,
Senior Director, Human Resources, North America, and Inclusion & Diversity Program Lead

Definitions

Diversity – Diversity is any dimension that differentiates groups and people from one another. It means respect for and appreciation of differences in ethnicity, gender, age, national origin, disability, sexual orientation, education, and religion.

Inclusion – Inclusion is a state of being valued, respected, and supported. It's about focusing on the needs of every individual and ensuring the right conditions are in place for each person to achieve their full potential.

Unconscious bias – A person's age, gender, gender identity, physical abilities, religion, sexual orientation, weight, and many other characteristics are subject to bias. Unconscious biases are social stereotypes about certain groups of people that individuals form outside their own conscious awareness.

The Sierra Wireless Five-Pillar D&I Strategy

Evolve our D&I culture

Hire more diverse candidates within our pipeline

Recognize, promote, and compensate fairly

Develop a more diverse leadership-succession pipeline

Champion D&I in our community

Furthering workplace diversity

In 2020, two women joined the senior leadership team, reporting directly to our CEO. Jennifer Farac was promoted to General Counsel, while Rupal Nanavati, Vice President, IoT Applications, was level promoted.

Jennifer Farac

Jennifer Farac oversees legal affairs and corporate governance at Sierra Wireless. Ms. Farac joined Sierra Wireless in 2010 as Corporate Counsel. Before joining the company, she gained her telecommunications experience in legal roles at Bell Canada where she served as Senior Counsel, and at 360networks where she served as Assistant General Counsel prior to its acquisition by Bell Canada. Ms. Farac articled and worked as an associate at a Vancouver-based law firm prior to joining 360networks in 2000. She earned her Bachelor of Law from the University of Reading, England, and her Bachelor of Science from the University of Toronto.

Rupal Nanavati

Rupal Nanavati is responsible for IoT Applications at Sierra Wireless. Joining Sierra Wireless in November 2019, Rupal has more than 20 years of experience in the technology industry, including leadership positions at Dell Technologies and Tata Consultancy Services. Rupal has twelve years of experience establishing and growing business units that provide software as a service (SaaS) solutions across manufacturing, technology, healthcare, and banking and financial industries. Rupal earned her Bachelor of Engineering, Computer Science, from the University of Mumbai. Rupal is also the Executive Sponsor of our Women's Information Network @ Sierra.

Women's Information Network @ Sierra (WIN@S)

Sierra Wireless created the Women's Information Network in November 2018 to promote education and empowerment for women at Sierra Wireless. It has the direct support of the CEO, who has devoted time to meet with members of the group and discuss gender diversity issues. Other activities have included professional book clubs for career-related knowledge sharing, and personal branding workshops to help promote self-advocacy and personal career development. WIN@S is a powerful employee resource group which helps create peer support for women at the company, complementing its other gender diversity work.

In 2020, we recruited a slate of volunteer leaders for WIN@S. Erica Liu, Director, Cloud & Application Engineering, took on the role of Global Chair. We relaunched the group with a kick-off event on International Women's Day in April 2021, and have big plans for WIN@S as the pandemic crisis eases.

Jennifer Farac,
*General Counsel &
Corporate Secretary*

Rupal Nanavati,
*Vice President &
GM - IoT Verticals*

Erica Liu,
*Director, Cloud &
Application Engineering*

THEME 1. People

Delivering inclusive leadership training

Our 2020 goals included delivering inclusive leadership training to all leaders in the APAC and EMEA countries, building on our delivery to our North American leadership in 2019. With people now working from home, we had to pivot in our delivery process. We innovated with virtual delivery, using a mixture of collaborative tools to deliver online training for our leadership team across the globe. Our tech-savvy employee base helped us to deploy this training effectively, combined with our prior experience in video conferencing.

We will build on our success with this program by delivering a more in-depth inclusive leadership program, spanning at least one day, to executives and their direct reports to help enhance awareness and drive diversity through the leadership team.

Enhancing recruitment practices

Another 2020 goal involved enhancing our attraction, recruitment, and selection (ARS) practices with inclusivity training. We spent 2020 adapting our training plan to support virtual delivery, and we plan to deliver this during 2021. We also implemented a new applicant tracking system to ensure a more equitable recruitment process.

Emerging Professionals employee resource group

We are committed to building structured career paths that nurture new entrants to our workforce and provide equal opportunities for all genders and races. In 2020, we developed the framework for the Emerging Professionals employee resource group (ERG) to promote growth opportunities for new employees, some of whom will have arrived via cooperative study arrangements.

THEME 1. People

_____

Coping with COVID-19

One of the first steps we took when the pandemic hit was to form a cross-functional team that could handle the crisis. Employees are always first on the agenda at our twice-weekly team meetings. We check for potential cases and ensure that our pandemic health and safety requirements are being met.

Employee well-being has been a core value at Sierra Wireless since before our corporate sustainability program began. 2020 presented some unique challenges because most of our employees switched to working from home in early March as the crisis broke.

Changing working conditions made it more difficult to organize the morale-building physical health programs that our workforce enjoys each year. It also introduced new concerns around mental health. Employees working at home can lack the social interaction that is so crucial to keeping people balanced and happy.

We spent 2020 learning as we went, finding innovative ways to tackle these problems. Once again, technology helped. We conducted step challenges, in which employees connected by Microsoft Teams would measure and compare their physical activity at home, and our in-person fitness programs continued in video form for employees at our Richmond headquarters.

A key initiative was to give employees tools to look after their own mental health as they adapted to life working from home. This included an investment in employee assistance programs (EAPs) in the APAC region for those struggling with more serious issues, mirroring our existing initiative in North America.

Our US EAP provider hosted mental health presentations for US employees, and executives from Richmond complemented that with a mental health presentation for our Atlanta team.

After sending employees home from our offices, we invited a core group of essential workers back to the workplace. That meant being diligent about health and safety practices in the office. We sourced personal protective equipment (PPE) in large quantities early on in the pandemic, and have implemented strict mask-wearing policies, while also implementing a six-foot distancing rule and avoiding meetings in confined spaces. We also organized cleaning stations in the office and developed detailed cleaning procedures. All common areas were wiped down hourly, and we created deep-cleaning measures to handle situations of possible coronavirus contamination, including shutting down areas of the office.

As we move into 2021, we plan to roll out a working policy that began at our Hong Kong office, to support three categories of the workforce: employees who need to be on-site most of the time, those who can work completely remotely, or hybrid workers that may split their time between the two. This enables us to plan office capacity safely and to support remote workers.

Communities

THEME 2. Communities

Overview

Building strong, sustainable communities continues to be a focus at Sierra Wireless, even during a period when physical proximity has been difficult.

We were lucky to be joined by two new volunteer goal leaders to head up our community-building initiatives in 2020, Eugene Leong and Melanie Kerr. They are both members of our Inside Sales team.

Achievements in 2020
Even though the pandemic restricted our physical community efforts in 2020, we took the opportunity to advance one of the goals that we had set for the year: choosing charitable partners to work with on our community goals.

In choosing our partners, we wanted to reflect the core values that we gathered during a 2019 employee survey into building sustainable communities. They highlighted environmental sustainability and encouraging diversity in science, technology, engineering, and mathematics as their focal points.

After a vetting process involving ten organizations, we chose two that reflected these criteria.

Environmental Youth Alliance
The Environmental Youth Alliance supports young black, indigenous, and people of color (BIPOC) youth in becoming environmental stewards through community leadership. Based in Vancouver's Downtown East Side, the organization mixes free land-based education with paid employment training, covering areas including rewilding natural areas, learning about native plants, gardening, and peer mentoring. Find out more at: eya.ca

Melanie Kerr,
*Inside Channel
Business Manager*

Eugene Leong,
*Sales Development
Representative*

Canada Learning Code
Canada Learning Code is a technology education non-profit that teaches accessible computer science skills to Canadian children and adults. It also works with educators to help bring computer skills into the classroom. Find out more at: canadalearningcode.ca

Adapting our supply chain to support the pandemic response
The pandemic created some volatile business conditions for Sierra Wireless. The first half of the year saw a tremendous change in demand. Some customers paused or ceased operations and stopped purchasing. However, demand flourished in other areas as companies demanded reliable connectivity for home workers.

We responded to these changes in demand with COVID-related discounts to help meet pressing humanitarian needs. This was especially true in the healthcare sector, which struggled to cope with the crisis. Healthcare providers used our gateways to access data from home-monitoring machines.

Our senior management lobbied our supply chain for the necessary components to help meet this demand. They made it clear that our solutions are important for public safety and critical infrastructure. That included creating the wireless infrastructure that would serve stadiums and parkades as governments converted them to COVID testing and vaccination centers. By advocating on behalf of our healthcare clients we were able to secure the parts they needed to continue operating at optimal levels in challenging conditions.

We supported this initiative under extreme pressure, but also learned some significant supply chain lessons that will help us to create a more sustainable supply chain in the future. We had to switch to sea-based shipments as the pandemic curtailed air freight. While this extends our supply lead times, it also creates carbon-saving possibilities. We will explore sea freight options further in 2021.

THEME 3

Environment

THEME 3. Environment

Overview

At Sierra Wireless we remain committed to reducing our environmental impact as a core tenet of our corporate sustainability strategy. We take a full-spectrum approach to environmental sustainability, looking at our carbon emissions along with our waste production. We are constantly seeking new initiatives that will help us operate efficiently while also being good environmental stewards.

Reducing greenhouse gas emissions

2020 accelerated many companies' existing commitments to mitigating climate change by forcing them to suspend travel. Sierra Wireless was no exception. We had already embarked on an air travel reduction scheme in 2019, discouraging the practice for the second half of the year and replacing it with video conferencing where possible. This already prepared us culturally for the full suspension of air travel that happened during 2020. The advent of remote working also reduced the energy that people spent commuting to the office as they worked from home.

Our move away from air travel is also affecting the way we move freight. We hope to transport our XR Series products from manufacturing facilities in APAC to North America via ocean transport rather than air freight to reduce our greenhouse gas emissions still further.

Transforming real estate

We had already closed five regional US offices in 2019, but 2020 saw us use our remaining offices even less as people switched to working from home.

Even though lease agreements meant that we couldn't scale down office space immediately, we nevertheless made energy savings as we restricted office visits to only essential staff.

The pandemic has encouraged us to rethink the way we use our office space. In our Richmond headquarters, we have ended our lease on one of our floors, reducing our original 125,000 square feet by 25,000 sq ft.

Building a recyclable future

At Sierra Wireless, we take a holistic view of waste management, looking at the entire lifecycle of materials as they pass through our organization. This involves looking beyond what happens to waste after it leaves our company. We also think about how to reduce waste by changing our consumption and sourcing more sustainable materials in our operations.

The pandemic naturally reduced our waste output because few people were working in our offices. Our Richmond facilities manager, who was among our essential staff, took the opportunity to audit and identify recyclable material in the building. We were able to clear out large amounts of unused technical equipment during this time. We will also implement plans to remove paper bins from people's desks, encouraging them to use centralized recycling bins that make material sorting more accurate and reliable.

THEME 3. Environment

Environmental product compliance

One of our key drivers for success is always continuous improvement. In 2020, we seized the opportunity to centralize product data, in partnership with Assent Compliance, to comply with the Conflict Minerals Initiative, RoHS Directive and REACH Regulation. By using Assent's advanced management platform, we were able to automate processes, increase efficiency and allow for more robust data to be captured. The result was an improvement of over 40% in supplier response rates, allowing Sierra Wireless to accelerate health, safety, and environmental compliance.

Creating a greener product portfolio

We are committed to producing environmentally friendly products. That begins with responsible product design, which is why we designed our XR Series to be upgradeable. This enables customers to use the products for longer, reducing the production of electronic waste. The XR Series has replacement cellular cartridges, enabling customers to replace just the cartridges rather than the whole unit when cellular technology changes.

When the XR Series does reach its end of life, our aluminum casing design makes it possible to recycle the product.

The XR Series is also designed with energy efficiency in mind. It uses Wi-Fi 6, which was tailored from the beginning to consume less power than its predecessors.

Sierra Wireless Consumption of Purchased Energy

2020

3,208 MWh
Energy from renewable sources

1,370 MWh
Energy from non-renewable sources

2020
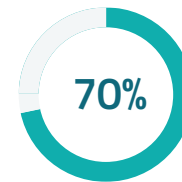
70%
Ratio of renewable sources

30%
Ratio of non-renewable sources

2019

3,516 MWh
Energy from renewable sources

1,207 MWh
Energy from non-renewable sources

2019

74%
Ratio of renewable sources
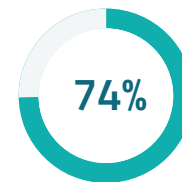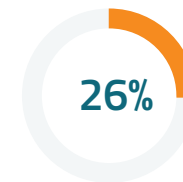
26%
Ratio of non-renewable sources

Evolution of CO$_2$e Tons GHG Emissions/Activity

BUSINESS TRIPS

- 3,955 — 2016
- 2,769 — 2017
- 3,204 — 2018
- 1,586 — 2019
- 95 — 2020

MANUFACTURING SITES

- 7,800 — 2016
- 8,081 — 2017
- 8,385 — 2018
- 6,482 — 2019
- 6,972 — 2020

DELIVERY OF OUR PRODUCTS

- 1,147 — 2016
- 1,257 — 2017
- 1,297 — 2018
- 1,346 — 2019
- 1,776 — 2020

TOTAL

- 12,902 — 2016
- 12,107 — 2017
- 12,886 — 2018
- 9,414 — 2019
- 8,843 — 2020
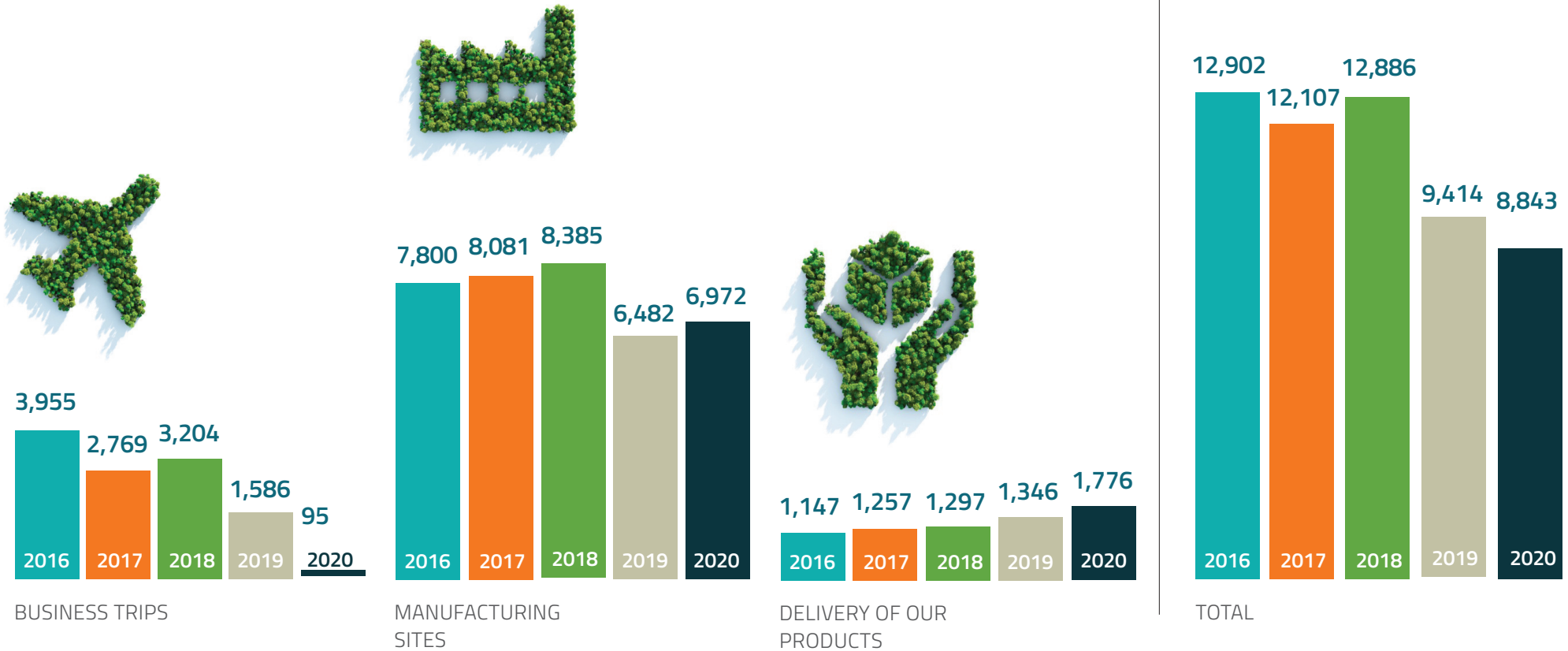
2020: emissions from business trips are much lower due to Covid-19. It is also important to note methodology for calculating emissions improved

2019: figures are extrapolated. One of the contract manufacturers (USI) offset the majority of their emissions through purchasing a green certificate

Looking to the Future

Adapting to a volatile future

As we review an extraordinary year, we are already planning for a more resilient future, using the pandemic as a learning opportunity to find areas for operational improvement that might empower us to run our company in a more sustainable, people-centric way. While it is too early to formalize all of our plans, we see rich opportunities in remote flexible-working arrangements, the use of online collaborative tools for more efficient collaboration, and in minimizing air travel even after restrictions lift.

We also understand that there are more things to learn. We saw a massive productivity boost from workers at home, but we realize the importance of helping them adapt to new working conditions and finding appropriate work/life balance. We must also innovate in our community-building activities as we adapt to a new post-pandemic world. While our commitment to corporate sustainability has never wavered, we look forward to approaching our corporate sustainability agenda with a renewed sense of possibility in 2021.

Appendix: Corporate sustainability program

Corporate sustainability operating framework

Our corporate sustainability team members are actively engaged in executing our six primary goals within the context of our corporate sustainability program. The framework guides our overarching approach to corporate sustainability.

Stakeholders and society

The following global policies help us ensure our relationships and business transactions are ethical, transparent, and fully compliant with regulations:

- Code of Business Conduct
- Anti-Bribery and Corruption Policy*
- Global Harassment and Discrimination Prevention Policy
- Insider Trading Policy*
- Disclosure Policy*
- Privacy Policy
- Conflict Minerals Policy
- Information Security Policy
- Quality Policy
- Diversity and Inclusion Policy

Data privacy and confidentiality

In 2018, we took steps to improve data privacy and confidentiality. Our computer login process was enhanced through the implementation of multi-factor authentication (MFA) and we initiated advanced threat protection (ATP examines incoming email messages for security risks, specifically website links and attachments). We also adopted the EU General Data Protection Regulation (GDPR). Cybersecurity awareness training is offered on an ongoing basis.

Health and safety

To ensure our employees understand the importance of maintaining a safe and healthy workplace, we provide the following training for all new hires:

- Emergency preparedness, evacuation, and communication
- Building security
- Health and safety responsibilities of employees

In addition, we have bolstered our health and safety practices by:

- Providing ergonomic assessments
- Executing a safety management system across all operations
- Conducting monthly or quarterly workplace inspections
- Measuring and reporting on safety performance
- Engaging employees through our Occupational Health and Safety Committee

We hold managers responsible to lead and maintain safe and secure work areas.

---

*Excerpts of these policies can be found in our Management Information Circular. (this is a PDF document from our external site) https://www.sierrawireless.com/-/media/iot/pdf/investor/2021/2021-management-information-circular.ashx

Environment

Carbon and climate

Sierra Wireless publicly disclosed its response to the CDP (Carbon Disclosure Project) Climate Change Questionnaire in 2020. As stated in the CDP report, our processes for identifying, assessing, and managing climate-related issues are integrated into multi-disciplinary, company-wide risk identification, assessment, and management processes (as described in the next section).

Risk and opportunities

The Sierra Wireless Enterprise Risk Management (ERM) program includes identification of risks and mitigation activities. Risks are updated twice a year, mitigation activities (strategies and status) are validated through sessions with subject-matter experts and discussed with the Audit Committee of the Board of Directors. The status of follow-up action is updated during each semi-annual risk update. The climate-related risks are evaluated by the corporate sustainability program committee and high risks are reported, if any, to the owner of the ERM process.

The most salient environmental risks are climate change and those related to material restrictions (e.g., RoHS, REACH, WEEE, etc.) described in the section on waste and toxicity.

Natural resources

Sierra Wireless is a fabless company (we outsource the fabrication of our products and don't withdraw water). For the most part, we lease our office space, and water consumption is included in the common area maintenance fees shared with other businesses. As a result, we are unable to introduce our own water recycling/re-use program, but we do have an expectation that our landlords will introduce such measures whenever feasible. To reduce water consumption, some of our leased sites have dual toilet flush equipped facilities and taps with sensors. All of our wastewater is collected and treated by municipal wastewater facilities.

Waste and toxicity

It is of paramount importance for us to understand and comply with the variety of laws, rules, and regulations that exist on the use of materials and substances in our products. On an annual basis, we declare the quantity and weight of products in the scope of the Waste Electrical and Electronic Equipment Directive (WEEE). Our Environmental Compliance and Verification Process addresses the risks or hazards associated with the inclusion of harmful chemicals in our products and ensures our materials and finished goods are compliant with environmental regulations:

- Restriction of Hazardous Substance Directive (RoHS)
- Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
- Packaging Waste Directive
- Other requirements and beyond-regulatory requests for our products' environmental attributes

We do not manufacture products at our sites, therefore, we do not generate significant air emissions (SOx, NOx, volatile organic compounds, particulate matter, hazardous air pollutants).

Appendix: Corporate sustainability program

2020 Performance Summary

	Units	2020	2019	2018	2017	2016
Revenues						
Total consolidated revenues (in thousands) [1a]	$ USD	**448 588**	547 276	793 602	692 077	615 607
Ethics						
Employees read and acknowledged Sierra Wireless Code of Business Conduct	%	**100**	95	92	95	96
Employees completed ethics training	%	**98**	NA	NA	NA	NA
Supplier Assessment						
Suppliers [1b] who completed the RBA SAQ [1c]	%	**100**	100	100	100	100
Suppliers with low-risk facilities SAQ	%	**100**	100	100	100	94
Contract manufacturers' operations covered by a certified ISO 14001	%	**100**	100	100	NA	NA
Responsible Minerals						
RMAP-compliant and active processing facilities [2]	#	**249**	228	295	275	244
RMAP-compliant and active processing facilities	%	**81**	79	98	87	82

1a. Revenue post-automotive product line divestiture for 2019 and 2020

1b. Contract manufacturers and top 80% of purchase spending suppliers of components

1c. Responsible Business Alliance – SAQ, Self-Assessment Questionnaire

2. Responsible Minerals Assurance Process

NA = Not Available

NC = Not Calculated

Appendix: Corporate sustainability program

2020 Performance Summary

	Units	2020	2019	2018	2017	2016
Greenhouse Gas (GHG) Emissions						
CO2e per gross square foot of facilities space (scope 1 and 2)	CO2e metric tons/sq.ft	**0.00258**	0.00283	NA	0.00325	0.00339
Total scope 1 – Direct GHG emissions by weight	CO2e metric tons	**43**	52	NA	43	50
Total scope 2 – Indirect GHG emissions by weight [3a]	CO2e metric tons	**785**	859	NA	852	881
Total scope 3 – Other indirect GHG emissions by weight [3b]	CO2e metric tons	**8843**	9414	NA	12107	12902
Electricity purchased [3c]	MWh	**4622**	4722	NA	5113	5021
Electricity purchased per gross square foot of facilities space	MWh/sq.ft	**0.0144**	0.0157	NA	0.0186	0.0183
Electricity purchased from renewable source	MWh	**3218**	3516	NA	4022	3648
Electricity purchased from renewable source	%	**70**	74	NA	79	73
Electricity purchased from non-renewable source	MWh	**1404**	1207	NA	1090	1374
Electricity purchased from non-renewable source	%	**30**	26	NA	21	27
Natural gas purchased	Therms	**8172**	9826	NA	8173	9463
Waste Management						
Total non-hazardous waste: recycled	Metric tons	**16**	52	51	50	20
Total non-hazardous waste: recycled	%	**57**	63	58	55	41
Total non-hazardous waste: generated to landfill	Metric tons	**12**	30	37	41	29
Total non-hazardous waste: generated to landfill	%	**43**	37	42	45	59
Total hazardous waste	Metric tons	**<0.1**	<0.1	<0.1	NA	NA
Water						
Water purchased	m³	**16693**	17203	NA	14455	NC

3a. Location-based: calculated using country or regional emission factors

3b. Amounts include business trips, logistics, SWI share of our Contract Manufacturers GHG emissions

3c. 100% electricity purchased from the grid

4a. Non-Hazardous waste: 2019: Richmond and Issy-les-Moulineaux; 2020: Richmond only

  Hazardous waste: Our labs follow specific purchasing processes to procure products that generate

  hazardous waste and are disposed of in accordance with applicable laws and regulations.

As our business evolves, our year-over-year data-in-scope changes. In the spirit of full

disclosure, we continue to report on all available data

NA = Not Available

NC = Not Calculated

Appendix: Corporate sustainability program

2020 Performance Summary

	Units	2020	2019	2018	2017	2016
Workplace Demographics						
Women - Overall	% total	**22**	24	22	20	19
Women - Leadership	% total	**15**	15	12	9	9
Women - Professional	% total	**22**	26	23	23	22
Women - Promotion to first-level manager	#	**2**	NA	NA	NA	NA
Average age	years	**43**	44	43	42	42
Workforce						
Total employees	#	**1008**	1372	1435	1246	1223
APAC	#	**176**	382	355	401	352
EMEA	#	**175**	236	344	310	326
NAM	#	**657**	754	736	535	545
Turnover rate [5]	%	**20.2**	24	13	8	10
Voluntary turnover rate	%	**8.2**	7.5	6.5	6.5	NC
Workplace Safety						
Days lost from sickness	%	**<2**	<2	<2	<2	<2
Workplace accidents	#	**0**	0	0	0	0
Fatality rate	%	**0**	0	0	0	0

5. Turnover rate includes non-voluntary departures. In 2018, restructuring is excluded and in 2020, the automotive divestiture is excluded

2017: workforce figures exclude temp/contractors

NA = Not Available

NC = Not Calculated

![Sierra Wireless logo]

For more information, contact: csr@sierrawireless.com
or visit us at our website:
www.sierrawireless.com/company/corporate-social-responsibility/

Connect with us on:

[in] [twitter] [rss]