SIERRA WIRELESS®

Corporate Sustainability Program

2021 Progress Report

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Message from the Board Chair and President & CEO

Welcome to our fifth annual corporate sustainability progress report and our first as Board Chair and President & CEO.

2021 was a very challenging but rewarding year for Sierra Wireless. Our employees powered through the ongoing COVID-19 pandemic, rallied to help the company recover from a ransomware attack; pulled out all the stops to stand up a manufacturing line at a new site at Jabil Mexico when COVID-19 shut down our line at Jabil Vietnam; and if all that wasn't enough, mitigated the global supply chain crisis sufficiently to enable Sierra to ship more products in Q4 2021 than in the previous three years!*

Despite these obstacles, which required all hands on deck for a significant portion of the year, our corporate sustainability (CS) team achieved noteworthy progress in three of our six CS goals:

- Building sustainable communities
- Fostering equity, inclusion and diversity
- Reducing greenhouse gas (GHG) emissions

As you will read on the following pages, we developed relationships with four non-profits that are directly aligned with fostering gender equity, inclusion and diversity; we achieved a goal we set in 2019 to have 20% of our senior manager roles filled with women; and we defined and communicated our GHG emissions reduction target.

Russell Jones,
Board Chair

Phil Brace,
President & CEO

** Excluding automotive.*

In addition, we continued to uphold our commitment to advancing sustainability globally by adhering to the Responsible Business Alliance's (RBA) Code of Conduct, scoring a low-risk corporate rating and thereby indicating to customers and suppliers that we employ responsible labor, ethics, environmental, and health and safety practices. We also conducted important due diligence with our suppliers to determine the extent to which conflict minerals may be in our collective supply chains. This high level of visibility enables us to take necessary action to replace non-conforming suppliers, as necessary.

Moving into 2022, we remain fully aligned to improving social, environmental and ethical conditions in our supply chain in conjunction with the RBA's coalition of leading companies. For example, we will make our product design cycle (cradle to grave) transparent, develop a framework for a recycling program for our gateways and set new diversity, equity and inclusion goals.

We strongly believe Sierra Wireless is well positioned to achieve its business and corporate sustainability goals in 2022. We would like to extend our thanks again to our outstanding workforce for getting us through very turbulent times, and are excited to be partnering with them on this next leg of our IoT journey!

An Overview of Sierra Wireless

An Overview of Sierra Wireless

Sierra Wireless Global Operations

Business Overview

Sierra Wireless (NASDAQ: Sierra Wireless) (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.

Connectivity

Smart Connectivity

We offer Smart Connectivity and Enhanced Carrier Connectivity options to provide one point of accountability to our customers, ensuring their critical business assets are always connected. Both services leverage Sierra Wireless' 24/7/365 Global Network Operation Center (GNOC) and our partnerships with over 600 networks in more than 190 countries

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.

Modules

Cellular Wireless IoT Modules

Sierra Wireless' world-class and market-leading portfolio of cellular wireless IoT modules provides original equipment manufacturers (OEMs) with 5G, 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 application programming interfaces (APIs).

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.

Router Solutions

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 5G, 4G LTE, LPWA, Wi-Fi, Bluetooth, GNSS and FirstNet.

IoT Applications

Within our IoT Applications division, we offer market-ready IoT solutions including asset, satellite and fleet tracking 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.

Octave

Octave is our all-in-one edge-to-cloud solution that enables customers to securely extract, orchestrate and act on data from their industrial assets to the cloud. With Octave, customers can focus on data, eliminating the need to build IoT infrastructure from scratch, putting the focus solely on innovative IoT applications.

Sustainability in Action: Smart Agriculture

Making agriculture more efficient and productive is key to improving sustainability and coping with the impacts of climate change. Trimble Agriculture provides precision solutions that help to optimize every area of modern agricultural management. Trimble uses Sierra's IoT technology to connect its smart agricultural equipment and import and export data to a centralized management platform. Farmers can then use this display to view all Trimble applications and analyze the information collected.

One technology that farmers are using to increase precision and productivity is autonomous tractors, which can be controlled remotely, allowing them to focus on other core work. Sierra's AirLink® RV55 Gateway acts as a global positioning system (GPS), providing precise location data for the tractor. A map of the farm field is downloaded to the management display, the tractor can then be automatically placed on the most efficient route to within one inch of accuracy. If a field is being plowed, for instance, agricultural managers can ensure that there are no missed areas or overlaps, saving both time and fuel.

The RV55 is also used for other autonomous farming equipment such as combine harvesters or sprayers. With IoT devices, farmers can get accurate data on the distribution of herbicides, fertilizers or seeds. By analyzing key parameters like input, flow rate and time in use, they can track exactly how much of each resource is used. They can then leverage the data to improve the decision-making process and optimize their farming practices, minimizing wastage and maximizing yields.

IoT solutions will be essential to enable a new generation of smart agricultural equipment and advanced farming practices

Lean, efficient, high-yield farming will be crucial in the coming decades as the world faces a growing population and challenging environmental conditions. IoT solutions will be essential to enable a new generation of smart agricultural equipment and advanced farming practices. This is why Sierra Wireless is delighted to be working with Trimble and its suite of precision technologies.

Corporate Sustainability at Sierra Wireless

About this Fifth Annual Corporate Sustainability Report

This is the fifth annual progress report of our corporate sustainability program's initiatives and achievements.

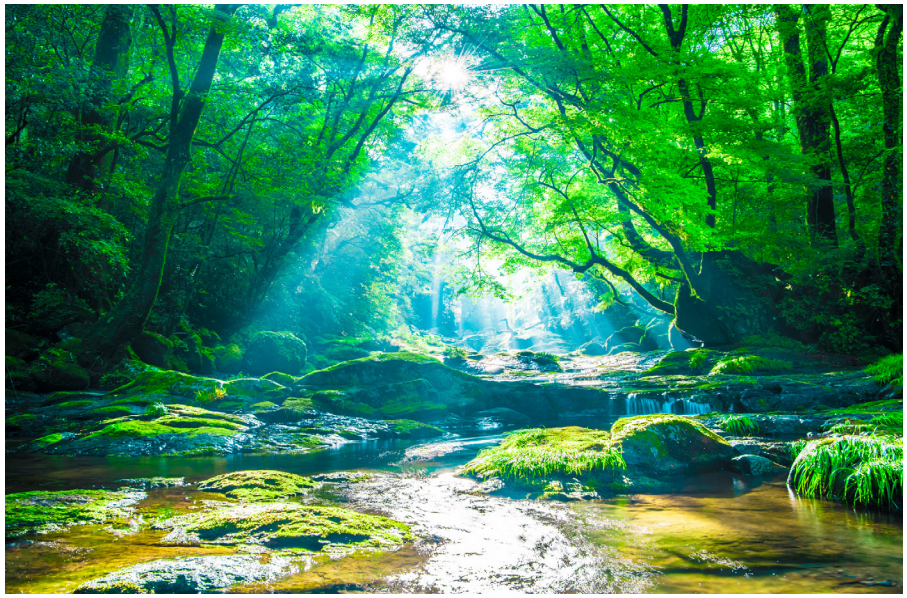
This report is our opportunity to voluntarily disclose our sustainability and community-building efforts to our many stakeholders, including investors, customers, suppliers and local communities. We are committed to transparency and accountability, and this report helps us to facilitate valuable dialogues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

Last year was one of the most challenging years yet for Sierra Wireless, as it was for the world. The second year of the COVID-19 pandemic continued to alter working practices. In 2021, companies across the globe, including Sierra Wireless and our suppliers, had to adapt on the fly as health conditions and government guidelines changed in the face of multiple coronavirus strains.

We also suffered from another increasingly prevalent problem – cyber-attacks. In March 2021, a ransomware attack took down internal systems across the company, severely disrupting our business operations. Despite this, we were able to implement our business continuity plans and resume normal operations within weeks.

Challenges extended into our supply chain as COVID-19 took its toll on our partners. Lockdowns stopped production for several weeks at a Vietnam factory. Shipment problems compounded these issues as container scarcity delayed delivery of key products.

We grappled with these external problems while managing significant internal change. In July 2021, our new President and CEO, Phil Brace, assumed the reigns from Kent Thexton, and we restructured our reporting lines to achieve a simpler, more streamlined operation. Russell Jones was appointed Board Chair on January 1, 2022.



Corporate Sustainability Governance

Corporate sustainability has been a key focus at Sierra Wireless since we launched our program in 2017. Despite the significant challenges we shouldered in 2021, our board and senior leadership team remained committed to driving forward our focus on sustainability even as one of the most volatile times in our history continued.

The corporate sustainability team is diligent in its mission to drive these values into the heart of our operation. The team collects data each year that help us to focus our sustainability efforts where they are most needed and produce tangible outcomes for the environment and for wider society. We report our progress in this area to the Governance and Nominating Committee of the Board twice a year.

Overview of 2021 Activities

Among other initiatives, we developed partnerships across the globe with four non-profits whose missions are aligned with our values, we relaunched two employee resource groups (ERGs) and debuted a third ERG, and developed firm greenhouse gas (GHG) emissions targets, delivering on a promise that we made last year.

Background/Methodology

At Sierra Wireless, our values come from our stakeholders. We have a corporate sustainability team 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 us and our community. The corporate sustainability team 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 initiatives with an organizational structure that embeds our values at every layer of the organization.

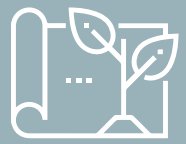
Accountability relies on transparency, so that everyone can see what we have committed to and how our actions match those commitments. This report is part of that transparency. Another part is our reliance on strong partnerships with external stakeholders to help set the standard for responsible, sustainable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

Our corporate sustainability team listens to our customers and employees to inform our sustainability goals

Corporate Sustainability Goals

Build Sustainable Communities

Strengthen Diversity, Equity & Inclusion



Deploy Eco-design

Reduce Greenhouse Gas Emissions

Reduce Contribution to Landfill

Accelerate Supplier Sustainability

Overview of 2021 Activities

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:

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

Governance and Compliance

- Complying with regulations on fair competition and export controls
- Meeting customer and regulatory expectations and 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, and conducting appropriate due diligence to understand our position in the supply chain

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
- Ensuring the security of our products and services

Overview of 2021 Activities

The Responsible Business Alliance

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

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*

Responsible Business Alliance

Advancing Sustainability Globally

Three Themes for 2021

Sierra Wireless structures its corporate sustainability around three core themes, which serve as pillars for our initiatives. As our corporate sustainability program has matured, these have become our anchor themes, reflecting a broad set of values that draws a continuum between our environment and the people that inhabit it.

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.

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.

Communities cannot flourish without a healthy and sustainable planet.

Building Sustainable Communities

THEME 1

Theme 1. Building Sustainable Communities

Overview

People are at their most powerful when they come together. Creating and nurturing communities is a focal point for Sierra Wireless. We recognize the power of people to engineer significant changes and help solve some of the world's most pressing problems.

Partnership with Non-profits to Build Sustainable Communities

A long-time goal of our corporate sustainability program was realized in 2021: we selected four non-profits with which to partner and we started our fundraising efforts on their behalf in January 2022. We considered several criteria when choosing the non-profits including their alignment to our corporate sustainability goals. We are proud to be partnering with four organizations whose missions are focused on fostering diversity, equity and inclusion.

Non-profit Partner: The Dusty Yak Foundation (EMEA)

THE DUSTY YAK FOUNDATION

The Dusty Yak Foundation is a non-profit that helps sick and underprivileged children in Nepal and elsewhere. It provides necessities including accommodation, clothing, food and medicine, along with education for children and financial support for those that work with them.

Projects include orphanages and welfare training for Nepalese child carers. It is also working on the Dusty Yak Village, a proposed village for 120 children with full-time carers in a stable family environment, along with a school for visually impaired young students.

Non-profit Partner: Rethreaded (US)

RE threaded

Rethreaded is a non-profit that specializes in helping survivors of human trafficking. Its founder, Kristin Keen, set out to create a safe, supportive work environment for women trafficking victims to earn money and learn marketable skills making clothes and accessories. Purchases from its store help provide job training and holistic services for survivors.

The charity, which works in partnership with the City Rescue Mission of Jacksonville, hired its first full-time employee in November 2012. At the time of writing, it was employing dozens of human trafficking survivors. Its mission is to employ and train 500 local survivors of human trafficking by 2031.

Sierra Wireless has a long history of preventing human trafficking in its own supply chain. We remain committed to the RBA Code of Conduct through our partnership with Assent, which provides software for deep supply chain analysis to combat human trafficking and slavery.

We ask our suppliers to submit their latest slavery and trafficking risk template, released by the Social Responsibility Alliance, so that Sierra Wireless can ensure an ethical supply chain free of human rights risks.

Theme 1. Building Sustainable Communities

Non-profit Partner: Canada Learning Code (Canada)

Canada Learning Code is a volunteer organization that brings accessible computer science education to communities across Canada. It designs community-specific programs for groups including pre-teens, teens and teachers, along with girls, women and non-binary students of all ages.

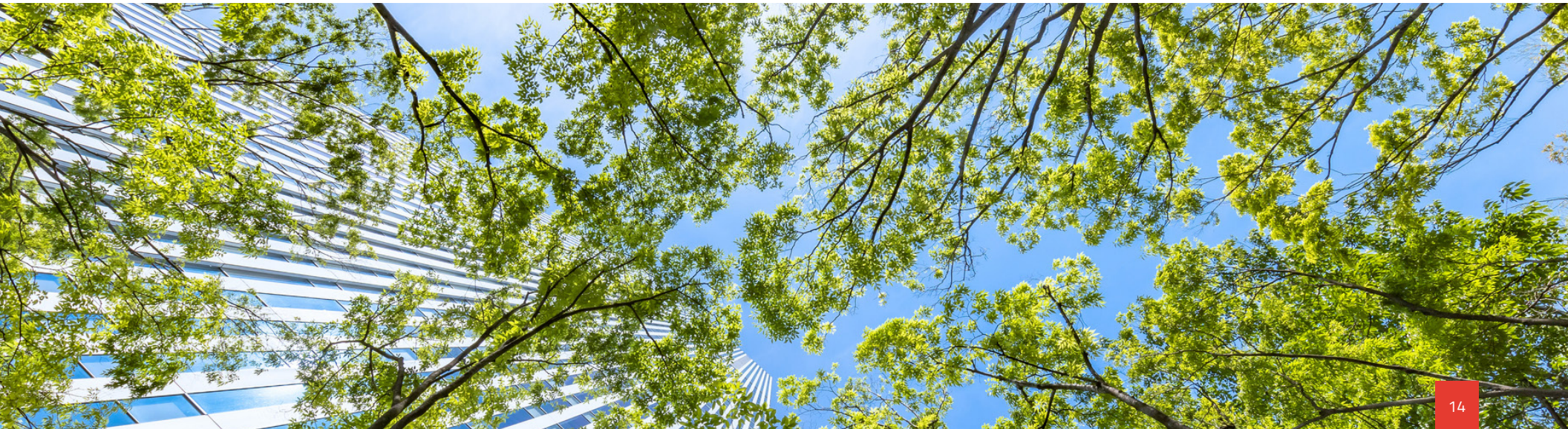
The organization has taught 600,000 learners across Canada in over 10,500 events that began in August 2011. Over 16,500 people have volunteered to help run its programs.

Canada Learning Code matches Sierra Wireless' strong DEI values by promoting science, technology, engineering and math (STEM) skills across all demographics.

Non-profit Partner: The Asia Foundation (APAC)

The Asia Foundation is a non-profit international development organization committed to improving lives across Asia.

With more than six decades of experience, it works in 18 countries across the continent on projects that promote good governance, women's empowerment and gender equality, inclusive economic growth, environmental and climate action, along with regional and international relations.



Helping Students Enhance BC Search and Rescue

Part of Sierra Wireless' community work includes engaging with academia to assist with worthy projects. In 2021, we worked with the British Columbia Institute of Technology (BCIT) on a project that could save lives.

The project involved a technology system to enhance BC's search and rescue operation. Almost half of BC, where we are headquartered, is wilderness, containing large undeveloped tracts of land, which amounts to around 40 million hectares. People often go missing in these areas, as do downed planes and boats. BC's search and rescue (SAR) service uses helicopters borrowed from the Royal Canadian Mounted Police to find them.

SAR currently flies the helicopters for between two and four hours, collecting video of the search area. It downloads this footage upon its return and then runs it through a machine-learning-based artificial intelligence (AI) system in the cloud to identify potential missing people.

Waiting up to four hours for image analysis could be the difference between life and death. Flying conditions must be just right to send a helicopter back out after the cloud-based AI identifies an area of interest, and a delay could prevent BC SAR from rescuing someone.

BC SAR wanted to download images for cloud analysis in mid-flight to help speed up the process, possibly delivering results while a craft was still in the air. BCIT's team of students developed a system that gathered images using a GoPro camera and transmitted them to a cellular base station from the air. Sierra Wireless donated an RV55 industrial LTE router to the team that transmitted images reliably at high speed.

Understanding that helicopters will often be outside cellular range in the wilderness, the students also equipped the system with an on-board small footprint Raspberry Pi computer.

Professor Bob Gill, Kieran Bako, Kristian Nielsen, Matthew Peeters, Lucas Hall

This unit would take a first look at the streaming images from the GoPro, using a smaller, less accurate AI model than the one in the cloud to identify possible images of interest. The RV55 sends just this small subset of images, which could indicate potential survivors or equipment, to the cloud when the aircraft comes within cellular range.

Sierra Wireless offered support for the RV55, but it was so easy to use that the student team was able to put the system together on its own.

Thanks to fast, portable router technology, BC SAR's eyes in the sky will soon be able to communicate with its brain in the cloud far more quickly, hopefully bringing relief to travelers in danger.

People

THEME 2

Theme 2. People

Overview

Sierra Wireless employees have adapted well to remote working, but this means that they are often working in isolation. As we dug in for the second year of health-based restrictions, we were determined to prepare ourselves for a healthier, more connected workforce.

Fostering Gender Diversity

Diversity, equity and inclusion (DEI) is a priority for Sierra Wireless. We have worked hard to fulfil the gender representation goals that we set in 2019 and are pleased to report that women now account for one in five (20%) senior management positions. Over a third (36%) of our new hires in 2021 were women. While we are bolstered by this achievement, we still have gaps in key functional areas such as engineering and sales. We will be setting new goals for gender diversity in 2022, which will inform our strategies to drive improvement in these areas.

We also conducted a pay equity review in 2021 and were pleased to re-affirm that we pay fairly – equal pay for equal work.

More DEI Training and Online Resources

We delivered an Attraction, Recruitment and Selection (ARS) workshop, which was delivered to all hiring managers. This initiative was well informed by employee focus groups and staff interviews, conducted by external DEI consultants, during which employees talked about their perception of DEI at the company.

We will continue to deliver the ARS training annually for new hires and newly-promoted hiring managers to help drive a culture of inclusion throughout our operations. We have also made DEI-focused resources available on our corporate intranet for hiring managers.

Six members of our executive leadership team also attended a DEI workshop delivered by TAP, the British Columbia-based Tech + People network. Attendees reported that they were able to think about diversity more broadly and frequently after this training, increasing their general mindfulness of DEI when approaching everyday business activities.

We also continued our partnership with TAP by funding its efforts to develop a DEI toolkit for small and medium enterprises (SMEs) in the British Columbia tech industry.

Theme 2. People

Employee Resource Groups

Promoting Employee Mental Health

In 2021, we relaunched our Mental Health ERG, which is focused on providing resources to employees who may be struggling with various concerns such as isolation, anxiety and work-life balance.

With the help of our mental health regional ambassadors, who advocate for mental health in Canada, the US, APAC and EMEA, we also launched a mental health Teams channel to support the ERG's information-sharing goals, allowing employees to exchange information and experiences. We use this channel to promote Wellable, an employee wellness platform that we use to help elevate employees' physical and mental health.

Caitlin Berndt,
Lead, Mental Health ERG

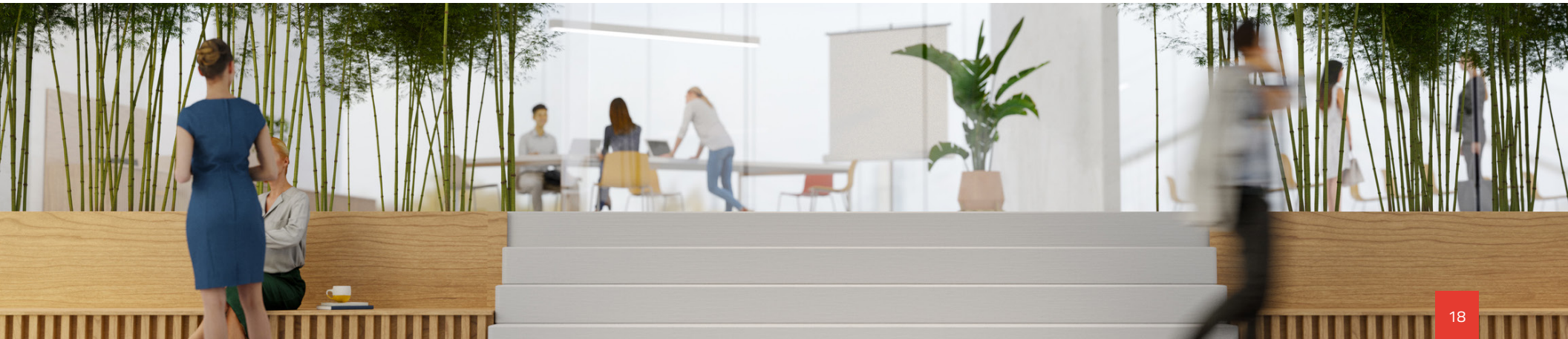
Encouraging Young Talent

Emerging Professionals, our newest ERG, started late in spring 2021. The co-leaders teamed up to recruit regional leaders, developed their mission statement and launched a Teams channel to facilitate engagement with its members and the broader Sierra Wireless community. The group's goal is to build a community of early career professionals including co-op students, connecting people in different roles across the company. The ERG hosted events in North America and two in the APAC region, including an online networking opportunity and an online career development event at which a panel of experienced leaders fielded questions about their career journeys.

Moving into 2022, the Emerging Professionals ERG will be hosting bi-weekly online 'water cooler' meetings, and will co-host a career-building event with the Women's Information Network (WIN@S) ERG.

Daniel Weiss,
Co-lead

Meghan Cavers,
Co-lead



Theme 2. People

The Women's Information Network at Sierra (WIN@S)
WIN@S kicked off its new agenda in March 2021 to coincide with International Women's day on March 8. It began by surveying all staff on issues relating to women, including career management and mentorship.

WIN@S held several workshops for its members including unconscious gender bias workshops and a career management workshop at which Phil Brace, Sierra Wireless' CEO shared his own experience and expressed support for empowering and developing women within the company.

WIN@S plans on hosting more events in 2022, including another three workshops, one of which will be a follow-up to the career management event. Other events will focus on community building, and will include virtual water cooler sessions.

Erica Liu,
Lead, WIN@S

Goals for 2022

We believe that our new, simplified organizational structure will make cultural and operational change easier. We are committed to improving the representation of women in our sales and engineering functions, and we are planning global online leadership and unconscious bias training for all managers and employees.

We will also increase our opportunities for emerging professionals with the launch of a new graduate program. This will build on our long-standing practice of hiring co-op students from local universities. We will develop hiring targets for graduates in 2022 as part of our broader talent acquisition initiative.

In addition, we plan to broaden our diversity lens in 2022. For the past few years, our focus has been on redressing a gender imbalance at Sierra Wireless that reflects an industry-wide lack of women in senior manager and technical roles. As we continue to address this issue, we will begin putting the framework in place to focus on people of color, persons with disabilities and indigenous peoples.

Environment

THEME 3

Theme 3. Environment

Overview

The locations in which Sierra Wireless has bricks-and-mortar offices are some of the most beautiful areas in the world. Perhaps this is one of the reasons that our employees felt so strongly about the environment when we asked them about their sustainability values in 2017. We have made environmental protection and stewardship one of the key pillars of our corporate sustainability initiative. In 2021 we saw a flurry of activity as we took tangible steps to limit global warming and preserve our natural world.

Greening our Supply Chain

Sierra Wireless has long been committed to supply chain sustainability, and each year we continue to push for more improvements in a network of suppliers that extends around the globe. Nevertheless, simple supplier management was enough of a challenge in 2021. The supply chain was fraught at all stages, from the acquisition of components through to operations in third-party factories. COVID-19 lockdowns constrained operations in Vietnam.

Despite these setbacks, we made progress in creating an ever-more sustainable, responsible and accountable supply chain. In spring 2021, we tightened our supply chain ISO processes and published a revised supplier handbook.

We continue to gather signed commitments to the Responsible Business Alliance Code of Conduct from our suppliers, which includes environmental protection measures. As a fabless company we don't use any water in manufacturing ourselves, and we hold our contractors to the ISO 14001 family of environmental standards, ensuring that they minimize their operations' effect on the natural environment.

Theme 3. Environment

Environmental Policy Key Principles

Until 2021, Sierra Wireless' environmental commitments were part of its environmental, health and safety (EHS) policy. This year, we elevated our environmental statement by separating it from the EHS policy and publishing it as its own document.

It lists the following key principles:

- Adherence to the ISO 9001:2015 Quality Management System and the Responsible Business Alliance Corporate Social Responsibility Management System
- We are committed to continuous improvement in our environmental management practices. This means analyzing our products' environmental risk in areas such as design, manufacture, distribution, use and disposal. We reflect our findings in our sustainability objectives
- We strive to minimize our environmental impact and comply with appropriate laws and regulations. We require our suppliers and business partners to do the same
- We track, analyze and disclose our energy consumption, waste and greenhouse gas emissions
- We align our environmental policies with our stakeholders' needs and expectations
- We adhere to Section 1502 of the Dodd-Frank Act and fully participate in the Responsible Minerals Initiative
- We encourage employees to be environmentally responsible through engagement with our corporate sustainability team
- We publicly disclose this environmental policy to all customers, employees, suppliers, contractors and other interested parties
- As a fabless company, we don't draw water for manufacturing purposes. We encourage landlords at our leased business spaces to promote water recycling and reuse
- Sierra Wireless upholds that the right to water is a fundamental human right
- We mandate that contract manufacturers maintain at least ISO 14001 environmental standards

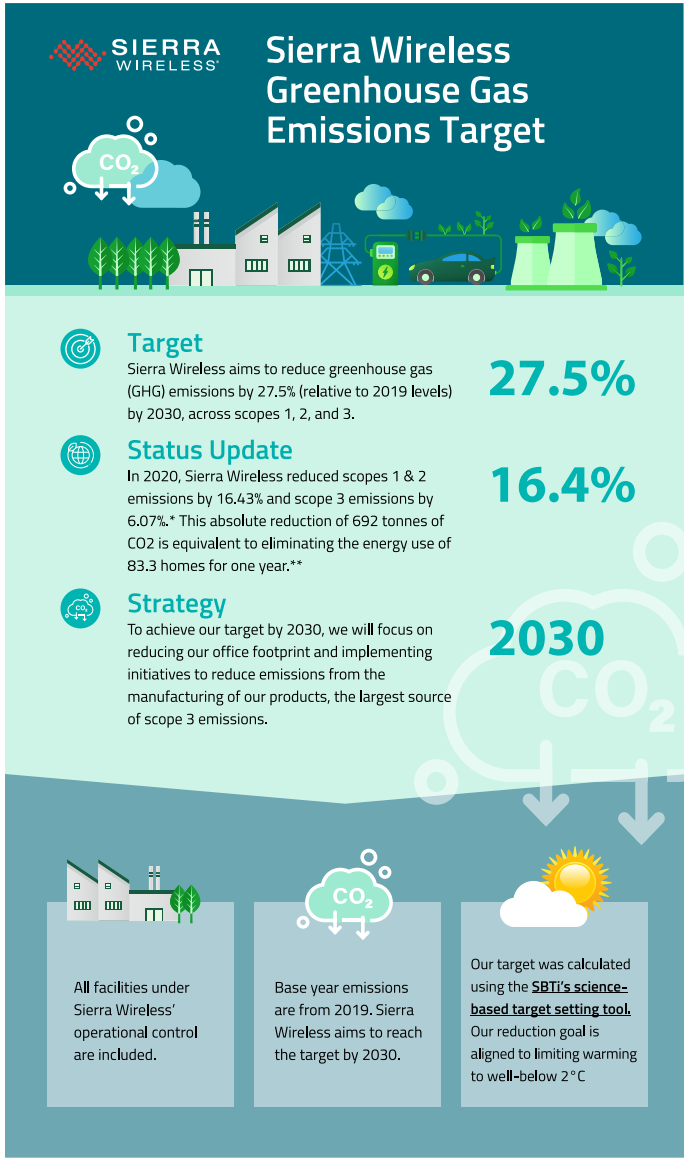
Setting our GHG Emissions Target

The Glasgow COP26 climate summit in November 2021 sounded the climate alarm more loudly than ever. It is clear that no company can look away from this global risk. Reducing, or at least limiting, emissions is an immediate challenge, and it is one that Sierra Wireless is glad to accept.

We have historically tracked our GHG emissions, but in 2020, we pledged to create science-based targets as part of our climate change initiative in 2021, and we announced these in Q4, publishing our goal on our website and on social media.

We calculate our emissions in EMEA and APAC using the Responsible Business Alliance's GHG emissions calculator, which aligns to the GHG Protocol Corporate Accounting and Reporting Standard. In the US, we use the Environmental Protection Agency's calculator. In British Columbia, Canada, we use the Electricity Emission Intensity Factor published by BC's Ministry of Environment and Climate Change Strategy.

We used a fixed base year approach when creating our emissions targets, based on our emissions in 2019. We chose this, the most recent year with full data, rather than 2020, which had unusual emission rates due to the pandemic's disruption.

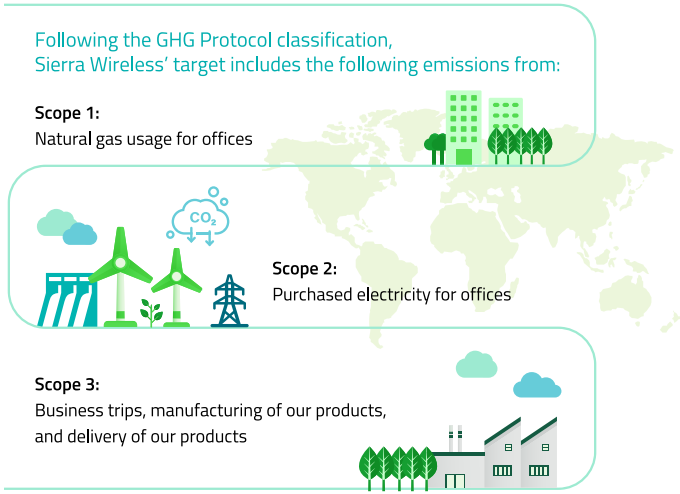


* *2020 emissions are irregularly low due to Covid-19.*

** *Figures based on estimations from EPA's Greenhouse Gas Equivalencies Calculator.*

Setting our GHG Emissions Target

Our GHG emissions break down into three categories:



Scope 1

These are direct emissions from company activities.

Scope 2

These are indirect emissions from purchased electricity. As Sierra Wireless is a fabless company, these are mostly related to leased office use. Renewable energy accounted for 70% of our purchased energy in 2020. Our reduction strategy for scope 2 emissions focuses on reducing our office footprint. We have already cut our office space at our Richmond headquarters by relinquishing 25,000sq ft from our lease. We will match that in 2022, and we also have plans to reduce or eliminate our office space in Hong Kong.

Our other scope 2 emission strategies include energy efficiency. We have pursued this by retrofitting one work area in our Richmond office with LED lighting to assess the cost and energy savings.

Scope 3

These are indirect emissions from non-owned sources, primarily in the supply chain. We are targeting reductions in this category via several measures:

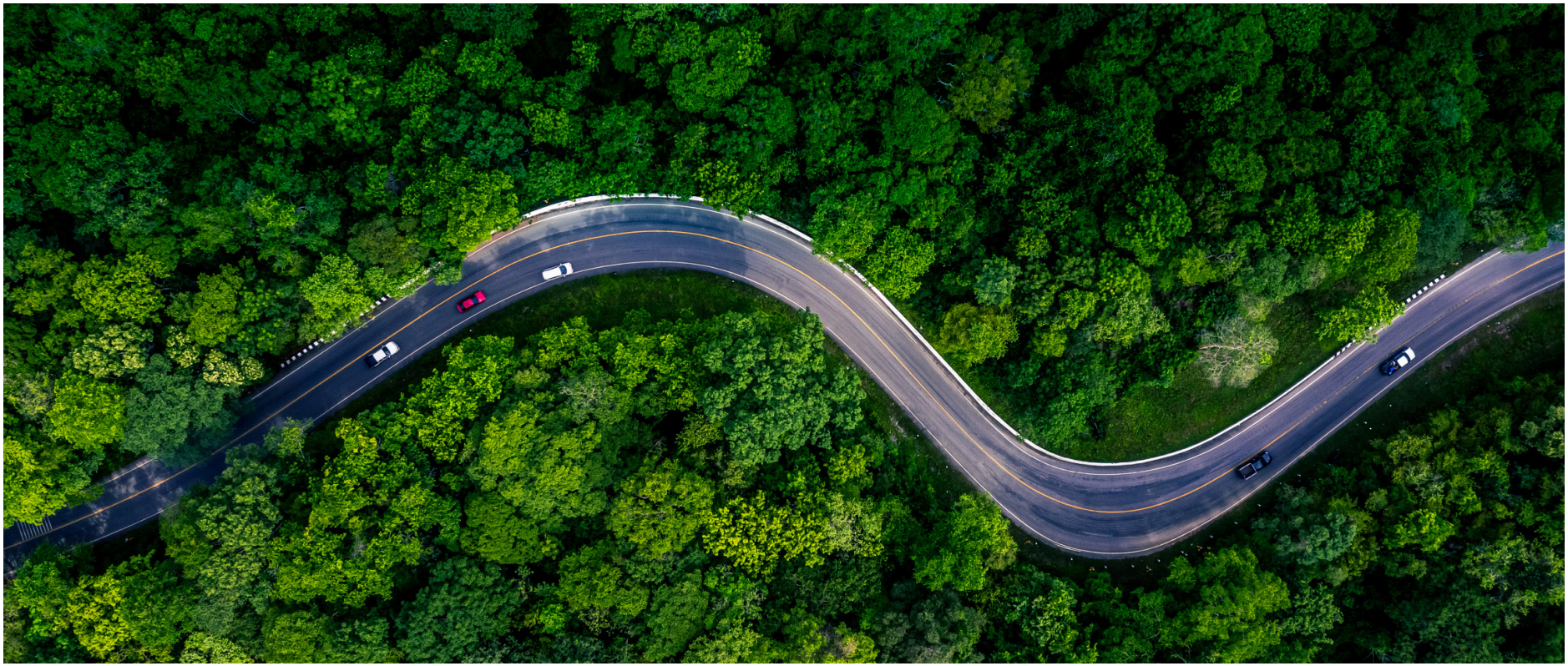
- More efficient production: Manufacturing is by far the largest source of our scope 3 emissions, at 79%. We are working with contract manufacturers to cut those emissions.
- Shipping. Product delivery accounts for 20% of our scope 3 emissions. Cutting GHGs from shipping is a focal point for us. We plan to optimize shipping routes and reduce the weight of our shipped products. Effective eco-design will play a part here. We expect to make weight and material savings through better product and packaging design.
- Reducing business travel: Although business trips represent just 1% of our scope 3 emissions, we can still achieve improvements by continuing to mandate that video conferencing be used for most meetings.

Eco-design

A mixture of pandemic-based disruption and chaotic supply chains constrained our eco-design plans in 2021, but we are enthusiastic about 2022. We plan to research and publish information about our product lifecycle as a basis for making more informed decisions about sustainable product design.

We also hope to create a deployment framework for eco-design and conduct a trial run, selecting some next-generation products for initial review. The deliverable will be a process with a realistic timeline and targets.

Looking to 2022 with Optimism



Overview

The most resilient companies are those that lean into challenges, finding opportunities for creativity and growth. During two years of global turmoil, Sierra Wireless has been busy not just maintaining its global operations but learning how to adapt as business conditions fluctuate. We have found opportunities for more sustainable operations in a crisis. These include emission reductions as offices shrink and remote working practices increase, smart fundraising activities for global causes, and a doubling down in our employee care initiatives.

This enthusiasm has bought us tangible progress in our corporate sustainability efforts during 2021 despite significant challenges. We are now emerging from the pandemic with a clearer sustainability strategy than ever and a solid platform on which to execute it. In 2022, as people adjust to a hybrid working environment, we expect to take our environmental stewardship, community building and people-focused initiatives to new heights.

Appendix: Sierra Wireless Consumption of Purchased Energy

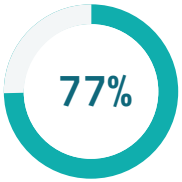
2021

3,555 MWh

Energy from renewable sources

1,068 MWh

Energy from non-renewable sources



Ratio of renewable sources

Ratio of non-renewable sources

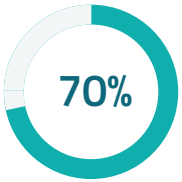
2020

3,208 MWh

Energy from renewable sources

1,370 MWh

Energy from non-renewable sources



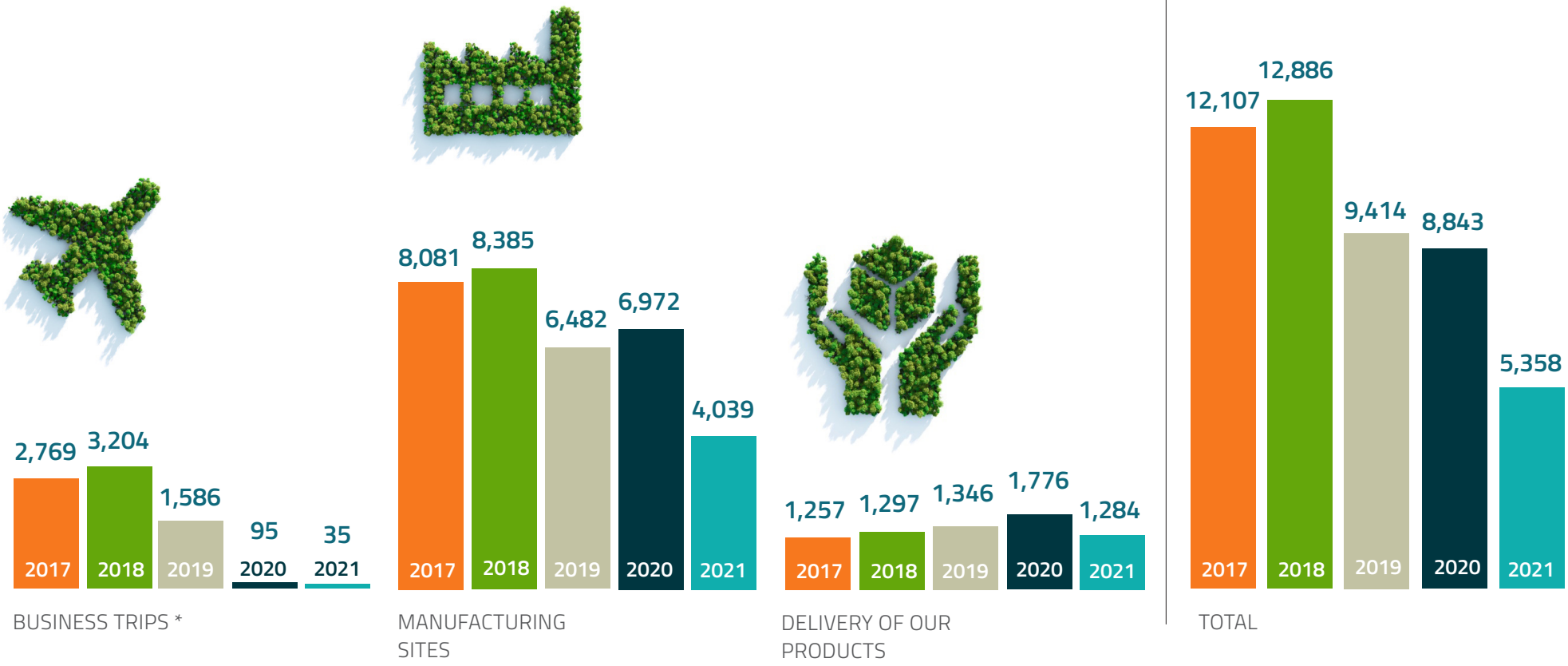
Ratio of renewable sources

Ratio of non-renewable sources

2020: figures are extrapolated. One of the contract manufacturers (USI) offset the majority of their emissions through purchasing a green certificate.

Appendix: Corporate Sustainability Program

Evolution of CO2e Tons GHG Emissions/Activity



** 2020 & 2021 emissions from business trips are much lower due to Covid-19. It is also important to note methodology for calculating emissions improved.*

Appendix: Corporate Sustainability Program

2021 Performance Summary

	Units	2021	2020	2019	2018	2017	2016
Revenues							
Total consolidated revenues (in thousands)	$ USD	**473 209**	448 588	713.5	793 602	692 077	615 607
Ethics							
Employees read and acknowledged Sierra Wireless Code of Business Conduct	%	**100**	100	95	92	95	96
Employees completed ethics training	%	**100**	98	NA	NA	NA	NA
Supplier Assessment							
Suppliers [1a] who completed the RBA SAQ [1b]	%	**100**	100	100	100	100	100
Suppliers with low-risk facilities SAQ	%	**100**	100	100	100	100	94
Suppliers' operations covered by a certified ISO 14001	%	**100**	100	100	100	NA	NA
Responsible Mineral							
RMAP-compliant and active processing facilities	#	**251**	249	228	295	275	244
RMAP-compliant and active processing facilities [1c]	%	**74**	81	79	98	87	82

[1a] Contract manufacturers and top 80% of purchase spending suppliers of components.

[1b] RBA SAQ - Responsible Business Alliance Self-Assessment Questionnaire.

[1c] In 2021, the drop in percentage is due to a higher response rate increasing the overall number of processing facilities in the supply chain.

NA = Not Available

Appendix: Corporate Sustainability Program

2021 Performance Summary

	Units	2021	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	**0.00156**	0.00258	0.00287	NA	0.00325	0.00339
Total scope 1 – Direct GHG emissions by weight [2]	CO2e metric tons	**35**	43	35	NA	43	50
Total scope 2 – Indirect GHG emissions by weight	CO2e metric tons	**418**	785	859	NA	852	881
Total scope 3 – Other indirect GHG emissions by weight [2a]	CO2e metric tons	**5358**	8843	9414	NA	12107	12902
Electricity purchased	MWh	**4623**	4622	4722	NA	5113	5021
Electricity purchased per gross square foot of facilities space [2b]	MWh/sq.ft	**0.0159**	0.0144	0.0157	NA	0.0186	0.0183
Electricity purchased from renewable source	MWh	**3555**	3218	3516	NA	4022	3648
Electricity purchased from renewable source	%	**77**	70	74	NA	79	73
Electricity purchased from non-renewable source	MWh	**1068**	1404	1207	NA	1090	1374
Electricity purchased from non-renewable source	%	**23**	30	26	NA	21	27
Natural gas purchased	Therms	**6698**	8172	6523	NA	8173	9463
Waste Management [3]							
Total non-hazardous waste: recycled	Metric tons	**23**	16	52	51	50	20
Total non-hazardous waste: recycled	%	**60**	57	63	58	55	41
Total non-hazardous waste: generated to landfill	Metric tons	**15**	12	30	37	41	29
Total non-hazardous waste: generated to landfill	%	**40**	42	37	42	45	59
Total hazardous waste	Metric tons	**<0.1**	<0.1	<0.1	<0.1	NA	NA
Water							
Water purchased [4]	m^3	**16411**	16693	17203	NA	14455	NC

[2] Atlanta figure is an estimate. Extrapolation was done for several periods for Richmond, Tolouse and Melbourne to complete the data set.

[2a] Figures include business trips, logistics and SWI share of our Contract Manufacturers GHG emissions.

[2b] Atlanta and Alpharetta is combined into one. Office closures lead to sq ft changes for Carlsbad and Hong Kong.

[3] Figures comprise ILM and Richmond. Estimation used for Richmond.

[4] Figure comprises Toulouse, ILM, Melbourne and Richmond. Estimation used for Touluse and Melbourne.

NA = Not Available

NC = Not Calculated

Appendix: Corporate Sustainability Program

2021 Performance Summary

	Units	2021	2020	2019	2018	2017	2016
Workplace Demographics							
Women - Overall	% total	**24**	22	24	22	20	19
Women - Leadership	% total	**20**	15	15	*12*	22	22
Women - Professional	% total	**23**	22	26	*23*	22	22
Women - Promotion to first-level manager	#	**4**	2	NA	NA	NA	NA
Average age	years	**44**	43	44	*43*	22	22
Workforce							
Total employees [5]	#	**965**	1008	1372	1435	1246	1223
APAC	#	**188**	176	382	355	401	352
EMEA	#	**154**	175	236	344	310	326
NAM	#	**623**	657	754	736	535	545
Turnover rate	%	**22.9**	32.3	24	13	8	10
Voluntary turnover rate	%	**15.7**	8.2	7.5	6.5	6.5	NC
Workplace Safety							
Days lost from sickness	%	**<2**	<2	<2	<2	<2	<2
Workplace accidents	#	**1**	0	0	0	0	0
Fatality rate	%	**0**	0	0	0	0	0

[5] Figures only include regular full-time and part-time employees.

NA = Not Available
NC = Not Calculated

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 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, communication
- Building security
- Health and safety responsibilities of employees

In addition, we have bolstered our health and safety 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.

Appendix: Corporate Sustainability Program

Environment

Carbon and Climate

Sierra Wireless publicly disclosed its response to the CDP (Carbon Disclosure Project) Climate Change Questionnaire in 2021. 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, if any, are reported 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 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).

SIERRA WIRELESS®

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

Connect with us on:

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