

CALIAN RESPONSE 16/08/2023

(B4Ukraine letter sent in January 2023)

Calian has been committed to long-term security in Europe for many years. As a trusted military training partner, Calian supports training for NATO and its member countries, as well as the Canadian Armed Forces (CAF). Calian has designed, developed and delivered training for high-readiness units in Europe for multiple organizations within NATO and for individual NATO country members.

In 2021, Calian delivered training to the Armed Forces of Ukraine as part of the Government of Canada's defence commitment to Ukraine under Operation *UNIFIER*. Operation UNIFIER is the CAF mission to support the Security Forces of Ukraine. Calian provided security force training to bolster peace and security in Eastern Europe.

In March of 2022, we [publicly pledged](#) our support to Ukraine and encouraged our partners and friends to join us by donating to the Canadian Red Cross Ukrainian Humanitarian Crisis Appeal or another humanitarian organization.

Also last year, we were painfully made aware that some of our Tallysman GNSS components were misused in sophisticated military guidance systems in Ukraine.

Tallysman produces GNSS (also known as GPS) patch elements, that are highly desired globally for positioning, navigation, and timing systems. The Tallysman ceramic patch antennas recovered are typical of what can be found in a consumer Satnav device. They are normally used for survey equipment, precision agriculture, timing systems, fleet management, and many other applications.

We have been, and will continue to be, fully compliant and cooperative with all Canadian and international agencies and export controls. Unfortunately, products like antennas, printed circuit boards, semiconductors, resistors, capacitors, screws, wires, etc., with significant engineering effort can be used for malevolent purposes and unintended applications. To the extent possible for a product sold globally, we examine and review end customer identities and intended end uses.

We are hyper vigilant about what products we sell to whom. Calian remains 100% committed to supporting Ukraine in the face of Russian aggression.

Kevin Ford

Calian CEO

Kevin Ford
Calian Group
770 Palladium Dr Fl 4
Ottawa, Ontario
K2V 1C8, Canada

January 5, 2023

RE: Calian Group's business operations in Russia

Dear Mr. Ford,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. We expect companies to demonstrate opposition to Russia's war of aggression, public support for the people, democracy, and territorial integrity of Ukraine, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs). At stake is not only the sovereignty and territorial integrity of a democratic Ukraine, but also the continuity of the rules-based international order and the prosperity of the global economy.

We request an urgent dialogue regarding potential inconsistencies between Calian Group's (Calian), stated policies on human rights and the company's ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

We acknowledge that Calian has policies in place to guide the company toward ethical behaviour.¹ For example, Calian developed a formalised environmental, social and governance (ESG) strategy, which seeks to assist Calian in achieving its "socioeconomic and environmental commitments as well as to prepare for future regulation and disclosure requirements."² In this strategy, Calian recognizes the company's obligations to its people, its stakeholders, and the communities in which it works, specifically identifying rights holders as a prioritised company stakeholder.³

It has been ten months since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, and forcible transfer of civilians). More than 17,000 Ukrainians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times.

On September 21, President Vladimir Putin escalated the war by announcing a "partial mobilisation" of the Russian population. The accompanying legislation ([Article 9 of Federal Law No. 31-FZ](#))

¹ Calian., "Calian Cares™: Corporate Social Responsibility," <https://www.calian.com/corporate-social-responsibility/> (accessed December 13, 2022).

² Calian Group Ltd., "2022 ESG Report," November 24, 2022 <https://d26wgh18tyxdzi.cloudfront.net/downloads/ESG-annual-report.pdf> (accessed December 13, 2022).

³ Ibid.

mandates all organisations, including the 1,500 international companies that are currently operating on a full or limited scale in Russia, to conduct military registration of the staff if at least one of the employees is eligible for military service.⁴ They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means of support to the war effort.

This legislation entails new and significant legal risks for companies remaining in Russia, including potential civil and criminal liability under comprehensive sanctions regimes and recent international jurisprudence holding corporations and their officers responsible for human rights abuses abroad.⁵ Companies may be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.⁶ These human rights and material risks extend to investors who own shares in these companies.

In response to this unprovoked and unjustified war⁷ many companies have left Russia. As of the date of this letter, Calian has not made a public statement regarding its operational footprint in Russia. From a review of its public disclosures, Calian's current exposure to the Russian market through its direct operations is unclear. In its 2021 Annual Report, Calian identifies Russia as a market for its "Advanced Technology" segment, which includes developed products, engineering services, and solutions for space, communications, nuclear, agriculture, defence, automotive, and government sectors.⁸ However, the report did not delineate the percentage of Calian's "Advanced Technology"

⁴ Federal Law No. 31-FZ of February 26, 1997 "On mobilization training and mobilization in the Russian Federation" (as amended), <https://base.garant.ru/136945/> (accessed December 13, 2022).

⁵ International companies remaining in Russia are now at a greater risk of violating sanctions regimes as implementation of the legislation will likely involve transacting with sanctioned individuals or entities. Furthermore, new domestic civil and criminal cases against companies involved in violations of international law demonstrate the risk of significant liability for facilitating state-sponsored human rights abuses abroad (e.g., Lafarge case, Lundin case, Castel Group indictment, Nevsun holding, and Dassault Aviation, Thales, and MBDA France criminal complaint.) Victoria Riello and Larissa Furtwengler, "Corporate Criminal Liability for International Crimes: France and Sweden Are Poised To Take Historic Steps Forward," September 6, 2021, <https://www.justsecurity.org/78097/corporate-criminal-liability-for-human-rights-violations-france-and-sweden-are-poised-to-take-historic-steps-forward/> (accessed December 13, 2022); The Sentry, "Breaking: France Opens War Crimes Inquiry Focused on Iconic Food and Beverage Conglomerate," July 1, 2022, <https://thesentry.org/2022/07/01/7216/breaking-france-opens-war-crimes-inquiry-focused-iconic-food-beverage-conglomerate/> (accessed December 13, 2022); Rfi, "French technology firm charged over Libya cyber-spying," July 2, 2022, <https://www.rfi.fr/en/business-and-tech/20210701-french-tech-firm-charged-over-libya-cyber-spying> (accessed December 13, 2022); Preston Lim, "Canadian Supreme Court Allows Corporate Liability for International Law Violations," Lawfare, March 12, 2022, <https://www.lawfareblog.com/canadian-supreme-court-allows-corporate-liability-international-law-violations> (accessed December 13, 2022); Sherpa, "Aiding and abetting war crimes in Yemen: Criminal complaint submitted against French arms companies," June 2, 2022, <https://www.asso-sherpa.org/aiding-and-abetting-war-crimes-in-yemen-criminal-complaint-submitted-against-french-arms-companies> (accessed December 13, 2022).

⁶ Venable LLP, "Do You Contract with State Governments? If So, Beware of Emerging State Sanctions' Obligations Related to Russia and Belarus," *JD Supra*, June 3, 2022, <https://www.jdsupra.com/legalnews/do-you-contract-with-state-governments-6537229/> (accessed December 13, 2022).

⁷ The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders."

⁸ Calian Group Ltd., "2021 Annual Report," February 11, 2022, <https://d26wgh18tyxdzi.cloudfront.net/downloads/Calian-2021-Annual-Report.pdf> (accessed December 13, 2022).

segment that services the Russian market or if it has implemented any changes since the invasion began.

However, Calian remains significantly exposed to the Russian market through its subsidiaries and customers. According to an investigative report by StateWatch, Tallysman Wireless Inc. (Tallysman), one of Calian's recently acquired subsidiaries⁹ manufactured ceramic antennas that were ultimately found in Iranian drones used by the Russian army against civilians in Ukraine.¹⁰ Though the president of Tallysman expressed extreme remorse upon the discovery, he remained unsure how Tallysman's products ended up in the drones.¹¹ In addition, a presentation from October 2020, identifies Russia as a market for global distribution of Tallysman's GNSS antenna products.¹² Another Calian subsidiary, SatService GmbH,¹³ imported programmable controllers into Russia for the benefit of RUSAT, LLC, an arm of Rosatom, a Russian state-owned energy company that also oversees the country's nuclear weapons complex.¹⁴ According to Calian's Annual Report, SNC-Lavalin is a significant customer of its "Health" segment.¹⁵ SNC-Lavalin is currently involved in the lengthy process of divesting its 48 percent stake in a joint venture with Rosneft, Russia's foremost, state-affiliated oil company providing significant funds to the war effort.¹⁶ Finally, Calian also identifies Inmarsat as one of its primary customers in the "Advanced Technologies" market.¹⁷ Inmarsat is a British satellite company, acting as a foreign communication satellite operator in Russia, which includes managing a ground station under a local licence from the Russian government.¹⁸ In 2014, Inmarsat used Russian rockets to

⁹ Calian, "Calian Acquires Canadian Manufacturer of Wireless Antennas," September 3, 2020, <https://www.calian.com/press-releases/calian-acquires-canadian-manufacturer-of-wireless-antennas/> (accessed December 13, 2022).

¹⁰ StateWatch, "More than 30 Western companies' components found in Iranian UAVs Shahed-136," November 16, 2022, <https://statewatch.org.ua/en/publications/more-than-30-western-companies-components-found-in-iranian-uavs-shahed-136/> (accessed December 13, 2022).

¹¹ Tanmay Kadam, "Canadian Firm 'Painfully Regrets' Its Parts Are Used In Shahed-136 UAVs That Russia Is Using To Attack Ukraine," *The EurAsian Times*, December 6, 2022, <https://eurasianimes.com/canadian-firm-regrets-its-parts-are-used-in-shahed-136/> (accessed December 13, 2022).

¹² Julien Hautcoeur, Ph.d, "Verostar: A Novel Full GNSS Brand Rover Antenna," *Tallysman*, October 2020, <https://www.tallysman.com/app/uploads/2021/01/Tallysman-Intergeo-2020.pdf> (accessed December 14, 2022).

¹³ Calian, "Calian Group Expands European Satellite Business With Acquisition of Germany-based SatService," April 1, 2019, <https://www.calian.com/press-releases/calian-group-expands-european-satellite-business-with-acquisition-of-germany-based-satservice/> (accessed December 13, 2022).

¹⁴ Import Genius, "ООО ""пятач""", <https://www.importgenius.com/russia/importers/%D0%BE%D0%BE%D0%BE-%D1%80%D1%83%D1%81%D0%B0%D1%82> (accessed December 13, 2022).

¹⁵ Calian Group Ltd., "2021 Annual Report," February 11, 2022, <https://d26wgh18tyxdzi.cloudfront.net/downloads/Calian-2021-Annual-Report.pdf> (accessed December 13, 2022).

¹⁶ Carly Meyer and Emma McIntosh, "SNC-Lavalin, Kinross Gold among Canadian players still dealing in Russian resources," *The Narwhal*, March 3, 2022, <https://thenarwhal.ca/canadian-companies-russia-sanctions/> (accessed December 14, 2022).

¹⁷ Calian Group Ltd., "2021 Annual Report," February 11, 2022, <https://d26wgh18tyxdzi.cloudfront.net/downloads/Calian-2021-Annual-Report.pdf> (accessed December 13, 2022).

¹⁸ Inmarsat, "New Satellite Access Station Opens in Russia," June 14 2016, <https://www.inmarsat.com/en/news/latest-news/corporate/2016/new-satellite-access-station-opens-russia.html> (accessed December 14, 2022).

launch its satellite into space.¹⁹ Though Inmarsat announced it suspended supplying new products or services to Russia and terminated existing infrastructure projects in the country,²⁰ the company “continues to provide existing airtime services,” citing humanitarian rationale.²¹

It remains to be seen if and how Calian will be impacted by the partial mobilisation and the heightened legal, regulatory, operational, and financial risks associated with companies being required to provide direct support to the internationally sanctioned Russian military. However, any proximity to the Russian state risks enabling and financing Russia’s violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine and violating Calian’s ESG strategy.

We seek to understand how Calian has conducted and continues to conduct heightened HRDD and how the findings of such a process has resulted in these continued business activities and relationships. As noted by the UNGPs:

...the more severe the abuse, the more quickly the enterprise will need to see change before it takes a decision on whether it should end the relationship. In any case, for as long as the abuse continues and the enterprise remains in the relationship, it should be able to demonstrate its own ongoing efforts to mitigate the impact and be prepared to accept any consequences – reputational, financial or legal – of the continuing connection.

In consideration of the above points and B4Ukraine’s Declaration,²² we request an urgent dialogue with Calian’s relevant senior management and staff to discuss the company’s ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact B4Ukraine at contact@b4ukraine.org to schedule a call. We kindly ask for your response by 5:00pm CET, January 19th, 2023.

Sincerely,

The B4Ukraine Coalition

¹⁹ Nick Fletcher, “Inmarsat falls on Russian sanction worries,” *The Guardian*, April 29, 2014 <https://www.theguardian.com/business/marketforceslive/2014/apr/29/inmarsat-worries-russian-sanctions> (accessed December 14, 2022).

²⁰ Inmarsat Globle Limited, “Annual Report and Financial Statements for the year ended 31 December 2021,” September 30, 2022

https://www.inmarsat.com/content/dam/inmarsat/corporate/documents/corporate/sustainability/how-we-do-business/annualreport/IGL_Annual_Report_2021.pdf.coredownload.pdf (accessed December 14, 2022).

²¹ Ibid.

²² B4Ukraine, “About,” <https://businessforukraine.info/about> (accessed December 14, 2022).