

GLOBAL COMPACT COMMUNICATION ON PROGRESS



XIRING

Public Limited Company (PLC) with a capital of 4.778.379,60 Euros

River Seine, 25 quai Gallieni, 92150 Suresnes, FRANCE

Listed on Alternext / NYSE-Euronext Paris. Code ISIN: FR0004155612, mnemonic ALXIR

Website: www.xiring.com

Contacts:

Company contact point: Mr Alain BRIANE

Manufacturing Manager

+33 1 46 25 80 24

a.briane@xiring.com

Mr Georges LIBERMAN

Chief Executive Officer

+33 1 46 25 80 49

g.liberman@xiring.com

Membership date: 10th October 2006

Number of employees: 50 (average 2010 headcount)

2010 Turnover: 20 million Euros (28.9 million US\$)

Industry: Security software/Electronic terminals

Description of business: created in 1998, XIRING is a security solution provider who develops and markets security software embedded in smart card readers for strong authentication and digital signature. XIRING has equipped over 12 million users with remote card authentication solutions based on the banking card, and is the leader of the professional terminals for the SESAM-Vitale French healthcare scheme. XIRING posted revenues of €20 million in 2010. The company is focussed on e-health and e-ID products and solutions. In the area of electronic identity (e-ID), XIRING proposes a broad range of solutions for public authority staff and citizens to meet the latest market challenges with secure electronic identity documents systems. XIRING is listed on the Alternext compartment of the NYSE-Euronext Paris stock exchange.

Statement of continuing support

Extract from the letter to the Global Compact Office, dated 13th September 2011.

"XIRING is committed to the United Nations Global Compact. We are convinced that SME (Small and Medium Enterprises) can influence the business behaviours and can participate in improving business practices in the world.

5 years ago, we adopted the Global Compact principles as the framework supporting our commitment to improve our social and environmental responsibilities.

We are proud to issue our 2011 Communication On Progress which includes the continuity of the major actions that have been undertaken particularly on the environmental challenges.

We renew our conviction that by embracing the 10 universal principles, XIRING can contribute to international cooperation, peace and development."



Georges LIBERMAN
Chairman & C.E.O.

Board members approvals

Valérie GOMBART



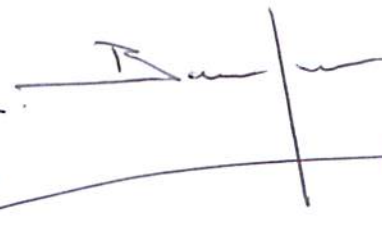
Etienne KRIEGER



Eric PLANCHARD



Bernard YONCOURT



Georges LIBERMAN



Principles 1 to 5

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.

Our commitment and policy

XIRING is committed to support and respect the human rights within its sphere of influence, to make sure that we are not complicit in human rights abuses, and to respect freedom of association and trade unions.

Process or system

XIRING has developed a human rights policy which is implemented in priority at the manufacturing level in our subcontracted manufacturing facilities in Asia.

This policy is based on the application of well established and published standards like SA8000 (Social Accountability 8000) and the measurement of the real situation by independent auditors. The situation is reviewed periodically. Action plans for continuous improvement are built and followed systematically.

XIRING is also working to get its suppliers committed to the Global Compact United Nations initiative, in order to make sure that their commitment will not be only to comply with our own request, but to commit themselves in the Global Compact process for the long term.

As the 3 year-plan for Principles 1 to 5, started in 2007, has been completed (see COP 2009), XIRING starts a yearly plan of progress as follows.

An audit conducted under XIRING control is done every year to ensure that there is no regression and to measure the progress on the points of the Code of Conduct assessment check list hereafter:

- Child labour
- Forced labour
- Health and safety
- Freedom of association
- Discrimination
- Disciplinary practices
- Working hours
- Compensation.

In accordance with the audit, several points of improvement have been identified and action plans have been built, with the results as described below.

Actions implemented up to 30/6/2011

- 2011 audit completed in the factory on 16 and 17 June 2011 with the main following points:
 - Minimum wages increased to RMB 920 per month up to 28 Feb 2011 and RMB 1100 since 1 March 2011.
 - Over time is paid 150% on regular working days, 200% on rest days, and 300% on statutory holidays.
 - No child labour neither forced labour has been detected during the audit.
 - The factory conduct fire drills twice a year at production area which include fire fighting and evacuation exercise.
 - Fire exit signs and emergency lights are available and sufficient at each workshop.
- Work's Council in XIRING: delayed at the end of 2009 due to change of organization, this action has been done in 2011(put in place on May 12th 2011).

Actions planned for next years

- Continue the process of yearly audit in our factory.
- Extend the process to the other suppliers in accordance with their geographical situation (no other for the moment).

Principle 6

6. The elimination of discrimination in respect of employment and occupation.

Our commitment and policy

XIRING is committed to avoid any differential treatment of people on the grounds of their race, gender and sexual, religious or political convictions.

Process or system

XIRING has issued an internal chart to express the principles of non discrimination. Our employment practices are respectful of these principles.

Principles 7 to 9

7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

Our commitment and policy

XIRING has issued a health, social and environmental policy chart.

XIRING is committed to introduce, as much as possible, procedures, physical equipment, goods and services that improve the environmental situation, pollute less, reduce the waste and optimize the recycling.

Process or system

- At the “day to day” level, we follow the principles of the internal chart.
- For the products that we design, we introduce systematically the environment topic in the specifications.
- At the manufacturing level, we request an ISO 14000 certification.

Actions implemented

- Calculation of the carbon footprint of XIRING's headquarters for 2010 has been done:
 - Total emission: 1084 tCO₂e (= 17.6 tCO₂e/person).
- Test done to evaluate the percentage of hazardous substance according to REACH regulation.

Actions planned for next years

- Continue the REACH evaluations if new hazardous substances are added to the REACH list.
- Calculation of the carbon footprint.

Principle 10

10. Businesses should work against all forms of corruption, including extortion and bribery.

Our commitment and policy

XIRING is committed to conduct a transparent business, avoiding any practices of bribery and corruption in general.

Process or system

Any significant business is reviewed by the management teams and only the “transparent” businesses are in the scope of XIRING.

Measurable results or outcomes

Absolutely no business has been got by spending money for bribery or for gifts gratuities or “kick back”.