

CSR

Report

Corporate Social Responsibility

HOLOGRAM. INDUSTRIES

2010 - 2011

H O L O G R A M . I N D U S T R I E S



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Message from the Chairman



Hologram Industries experienced strong acceleration in growth in 2011 (up 35% including 28% organic growth). This performance allowed our employees to reap the benefits of value, expand the workforce (with 29 new employees in 2011) while strengthening our local base in the region (with more than 65% of our employees in "Seine et Marne").

Even though the measures we have pursued over several years in corporate governance and transparency have been largely recognised by our stakeholders, this growth will provide additional resources to support new efforts in these areas.

It is important for a company of our size to be able to anticipate change and adjust priorities to meet these new challenges.

One of the first priorities has been to implement within the company an environmental management system for identifying, evaluating and reducing negative environmental impacts. We are committed to efforts to fight against global warming and preserving natural resources. With this goal, in 2011 we performed our first carbon assessment (*Bilan Carbone®*) and since 2009 have participated in a carbon offsetting program. Receiving ISO 14001 certification has contributed to increasing our internal focus to achieve greater coherence and visibility for the company's policy in this area.

The confidence of our employees in their production resources, stable long-term job prospects and pride in participating in a collective effort in favour of sustainable development drive their commitment and are in this way a source of added value for a company such as ours operating in cutting-edge technologies.

Integrating these management principles into its culture of innovation, quality and customer service has significantly contributed to Hologram Industries' leadership position in its sector.

In order to provide meaningful information and legibility based on internationally recognized criteria, for the first time this year Hologram Industries has published a sustainable development report within the framework of the Global Reporting Initiative (GRI). This document provides a clear presentation and references for comparison over time to track progress in achieving these goals.

Becoming a signatory of the UN Global Compact initiative also provides the company with a means of tracking concrete advances since joining the program through the annual "Communication on Progress" reporting process.

Hugues Souparis

Founder and Chief Executive Officer of Hologram Industries Group

A handwritten signature in blue ink, appearing to read 'H. Souparis', written over two horizontal blue lines.

1. Sustainable development as a key component of the Group's identity

1.1 – Organizational profile

1.1.1 Name of the organisation

Company name: Hologram. Industries
Legal form: A French public limited company (*Société Anonyme*)
Registered office: Parc d'activités Gustave Eiffel
22, avenue de l'Europe
77 600 Bussy Saint-Georges

Name and position of the signatory
Hugues Souparis - Chairman and Chief Executive Officer
or Grégory Wagemans, Deputy Chief Executive Officer

1.1.2 Primary brands, products and/or services

Hologram. Industries remains specialised in the design, manufacture and distribution of high-security optical authentication components notably through holographic applications. Through the acquisition of Advestigo and Keesing Reference Systems, the Group's technological expertise was expanded by the addition of digital anti-counterfeiting solutions.

Commonly known as holograms, optical security components are the product of a combination of holographic images or interferential microlithography with an image retransfer onto a carrier for replication. These products are delivered to customers in the form of self-adhesive labels, hot stamping foils or transparent holographic laminates.

A hologram is an image immediately visible to the naked eye but diffracting light to produce either an animated or raised rainbow colour effect. Because of these characteristics, it offers a feature impossible to reproduce even by the most advanced reprography techniques. The many complex technologies used to create and manufacture holograms thus render them highly resistant to counterfeiting. Holograms are easy to apply through industrial processes to a wide range of media (paper, plastic, cardboard).

The applications of this industry cover uses in several markets:

- ▶ Identifying people: ID cards, passports, drivers license, etc. ;
- ▶ Vehicle protection: auto registration cards, stickers, etc.;
- ▶ Brand product authentication: Pharmaceuticals, cigarettes, alcohol, etc.;
- ▶ Identification of fiduciary products: bank notes, bankcards, tax certificates, etc.;
- ▶ Identifying and searching for illicit digital content.

The manufacture of high security holograms is carried out entirely at the site located of Bussy Saint-Georges. The manufacturing site was specifically designed to meet the strictest possible security standards required by the main customers of the Group. For reasons of security, use of subcontracting is kept to a minimum, with all manufacturing processes carried on the production side.

1.2 – Operational structure of the organization

1.2.1 Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures

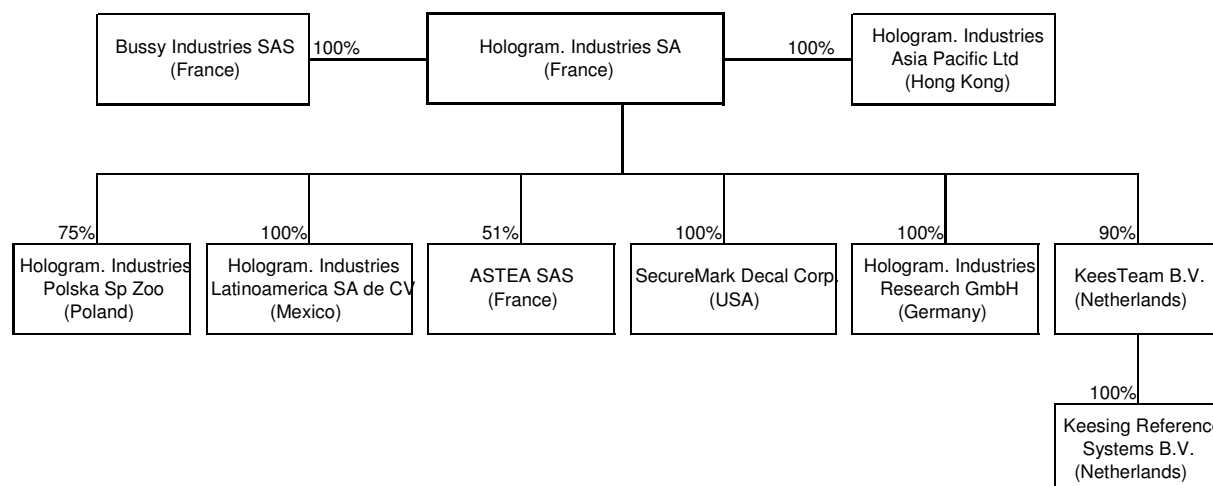
The parent company designs, manufactures and markets high security optical components for authentication applications at its site in Bussy Saint-Georges (France). This site also houses the activity of a holding company assuring mainly support functions for its subsidiaries.

Starting in 2006, Hologram. Industries has pursued a strategy of technological diversification combining internal innovation with external growth.

Hologram. Industries has two complementary areas of expertise:

- 1- The design and industrial manufacturing of high security holograms;
- 2- Implementing global authentication and traceability solutions.

The Group organization at 31 December 2011 was as follows:



1.2.2 Location of the organization's headquarters

Hologram. Industries is an international group whose headquarters are located in France at the Bussy Saint-Georges site (Seine et Marne).

1.2.3 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report

SecureMark Decal Corp. (USA)

- Retro-reflective and destructible security media;
- Production of complex security holograms and labels;
- Production of adhesive security documents for vehicle registration and taxes;
- Provider of authentication and traceability solutions for brand name products;
- The Group's second industrial platform.

1.2.4 Nature of ownership and legal form

Hologram Industries is a "Société Anonyme", a French limited liability company, with a Board of Directors governed under the laws of France.

The Company is listed on NYSE Euronext Paris (Eurolist). Its shareholder base includes its founder, Mr. Hugues Souparis with 58.9% and a free float of 35.9%. In addition, the company holds treasury shares representing 5.2%.

1.2.5 Countries where the organization operates and markets served including geographical breakdown, sectors served and types of customers/beneficiaries

Approximately 80% of Group sales are directly (government ministries, central banks, federal printing offices, etc.) or indirectly (partners, integrators, fiduciary printers, etc.), destined for large public entity customers.

Sales by region:

<i>(in millions of euros)</i>	2011		2010		Change
Western Europe	14.4	33%	13.1	41%	1.3
Eastern Europe	7.9	18%	6.2	19%	1.7
Middle East / Africa	3.1	7%	2.0	6%	1.1
Americas	6.5	15%	6.7	21%	-0.2
Asia / Pacific	11.2	26%	4.0	13%	7.2
Total	43.1	100%	31.9	100%	11.2

Sales by user applications:

Identification of persons	21.0	49%	14.3	45%	6.8
Vehicle identification	10.3	24%	9.1	29%	1.2
Fiduciary documents	3.9	9%	3.9	12%	(0.0)
Brand protection	7.2	17%	3.2	10%	4.0
Other	0.7	2%	1.5	5%	(0.7)
Total	43.2	100%	31.9	100%	11.2

1.2.6 Scale of the organisation

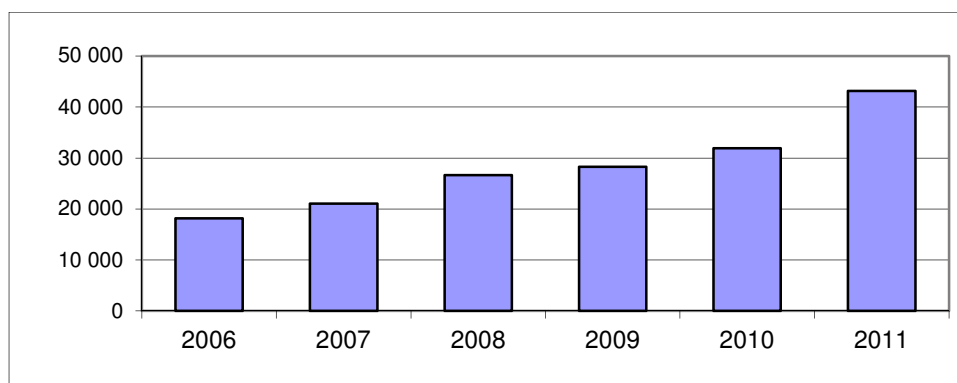
- Number of employees:

	31/12/2011	31/12/2010		31/12/2011	31/12/2010
	1	0		1	0
Managers	70	67	France Foreign operations	202	173
Supervisory staff/Technicians	54	29		85	80
Office/plant workers	163	157			
Subtotal	287	253		287	253
Available-for-sale assets		57			61
Total	287	310		287	314

The weighted average headcount was 266 staff members for 2011 (279 for 2010).

- Net sales (for private sector organizations)

The Group is today one of the leading global providers of security optical solutions. Sales over the last five years break down as follows (in € thousands):



- Total capitalisation broken down in terms of debt and equity (for private sector organizations);

At 31 December 2011, net assets totalled €27.1 million breaking down as follows (€m):

	<u>ASSETS</u>		<u>LIABILITIES</u>
Goodwill	8.7	Non-controlling interests	0.5
Non-current assets	18.4	Non-current liabilities	12.5
Current assets	16.7	Current liabilities	15.5
Cash and cash equivalent	11.8		

The company continues to have significant debt leverage. The ratio of net debt to equity (gearing) was 0.4% at 31/12/11 compared with -11% at 31/12/10.

1.2.7 Significant changes during the reporting period regarding the size, structure or ownership including (2010-2011) including:

- The location of or changes in operations including facility openings, closings and expansions;

Acquisition of Keesing Reference Systems

Hologram. Industries acquired with an effective date of January 1, 2010, the Dutch company Keesing Reference System B.V., publisher of the largest worldwide reference database for security features of ID documents and bank notes. This company, based in Amsterdam, is also the publisher of the "*Keesing Journal of Document & Identity*", a magazine for security documents professionals.

The acquisition permits Hologram. Industries to further expand its product offering in the authentication market for ID and fiduciary documents. It will contribute to both technical synergies, notably with the Advestigo's teams for identification solutions, and commercial synergies by combining the resources of their respective networks of sales agents and the deployment in French and US markets.

With 25 employees, Keesing Reference System B.V. had revenue of approximately €3.6 million in 2011.

Acquisition of Label Systems Authentication

Hologram Industries has acquired, effective 30 December 2010, through its US subsidiary SecureMark Decal, the assets of Label Systems Inc. and Label Systems Authentication LLC (LSA).

Based in Bridgeport (Connecticut - USA), LSA is specialized in the design, manufacture, and distribution of holographic security labels for brand protection and product authentication.

With 30 employees, LSA has recorded in 2010 over US\$4 million in revenue from the sale of brand product authentication labels. LSA's customers include companies such as Motorola for which it provides security solutions for batteries and accessories.

On a pro forma basis that includes SecureMark Decal, Hologram Industries' US operations in 2011 represented sales of US\$8 million with a balanced mix between government sector and brand protection.

Acquisition of Bussy Industries shares

At the end of 2011, the company acquired the shares of the French property investment partnership (SCI), Bussy Industries. This entity owns a real estate complex with a total area of 83,958 ft² (7.800 m²) primarily destined for use for Hologram. Industries operating activities and offices.

The purpose of this acquisition is to enable Hologram Industries to:

- directly acquire a functional real estate complex specifically adapted for the exercise of the company's activities linked notably to the site's security, and;
- have access to a reserve of additional land necessary for the development of its operations.

The transaction, previously authorized by the Board of Directors, was based on a market value for the property of €6.5 million determined by two independent appraisals.

- Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations)

The primary Group objective with respect to the management of its capital is to maintain a solid financial structure which permits it to assure its development through both organic and external growth whichever the case may be. At 31/12/11, the Group had net financial debt of €0.1 million. The gearing ratio (net debt/equity) as of 31 December 2011 and 2010 amounted to 0.4 % and -11 % respectively.

The Group manages its capital structure and proceeds with adjustments in view of financial market developments and economic conditions. In order to maintain or adjust its capital structure, the Group can adjust the amount of dividends paid to shareholders, repurchase a portion of capital or issue new shares. Objectives, policies and management procedures remained unchanged in 2010 and 2011.

On that basis, the Company proceeded with a dividend distribution of € 0.30 and €20 per share in 2010 and 2011 (based upon the 2009 and 2008 financial periods), which represented 28% and 38% of the Group portion of net income.

Finally, the company attributes share subscription options to its employees. Increases in capital resulting from the exercise of options have resulted in the creation of 13,993 and 4,100 shares in 2010 and 2011 respectively.

1.3 – Governance

1.3.1 Governance structure of the organization, including committees under the highest governance body (Board of Directors or equivalent body), parties responsible for specific tasks, such as setting strategy or organizational oversight

Board of Directors

The Board of Directors defines the main priorities of the Company's business activities, ensures their implementation and oversees the general management of the Company. Subject to the powers expressly granted to shareholders' meetings and within the limits of the company's corporate purpose, the Board may address any matter pertaining to the proper management of the Company and settle through its proceedings all items of business relating thereto.

A Director's Charter sets forth the Director's rights and duties. In accordance with the principles of good governance, Directors perform their functions in good faith in a manner they consider best suited to promoting the interests of the Company and with due care expected from persons exercising prudence in the performance of such duties.

Special Committees of the Board of Directors

On June 18, 2004 and June 14, 2007, the Board of Directors confirmed the creation of special committees tasked with assisting the Board, at least half of whose members are independent directors.

Audit Committee:

The mission of the Audit Committee is to advise the Board of Directors notably on the company's financial reporting process (calendar, accounting principles and methods, options, etc.), the selection of auditors, the organization, procedures and management information systems, assessments of material risks and off-balance-sheet commitments of companies in the Group's consolidation scope.

At 31 December 2011, the Committee was made up of two independent members, Messrs. Roland Bellande (Committee Chairman) and François Poirier.

To perform its duties, the Audit Committee draws upon input provided by the Independent Auditors and the Executive Vice President and Chief Financial Officer. It also reviews fees paid to auditors and procedures governing the renewal of their appointments.

Nominating and Compensation Committee

The Nominating and Compensation Committee gives advice on the company's strategic orientation in human resources. It assists the Board of Directors notably by making recommendations on the composition of the Board and Committees, and on the remuneration of their members.

At 31 December 2011, the Committee was made up of two independent members, Messrs. Daniel Vanier (Committee Chairman) and Roland Bellande.

The Nominating and Compensation Committee issues decisions concerning rules for setting variable compensation of executive officers and policies for granting stock options and bonus shares. Variable compensation of executive officers is determined on the basis of Group performance objectives. The Company does not pay any compensation to its executive officers in the form of golden handshakes or parachutes.

Strategy and Development Committee:

The Strategy and Development Committee advises the Board on major strategic priorities of the Company and the Group and its development strategy as well as all other important strategic issues addressed by the Board.

Its mission also includes studying in detail and formulating recommendations to be submitted to the Board about questions referred to it with respect to major investments, acquisitions, divestitures and disposals.

As of 31 December 2011, it was made up of three independent directors. François Poirier (Committee Chairman), Daniel Vanier and Roland Bellande, and the Chairman of the Board of Directors, Hugues Souparis.

1.3.2 Indicate whether the Chairman of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)

Hologram. Industries also adheres to the corporate governance principles of listed companies based on the Vienot reports of July 1995 and July 1999, as well as the Bouton report of September 2002 as adopted by the AFEP-MEDEF working group reports of October 2003 and 2008. In particular, the company strives to apply recommendations in respect to:

- The accountability and integrity of directors and officers;
- Transparency and disclosure of information;
- Respecting the rights of shareholders.

However, given the Company's size, the recommendations of the AFEP-MEDEF working group have been adapted in a manner that fits the Company's specific organization. On this basis, the functions of the Chairman of the Board of Directors and Chief Executive Officer exercised by Hugues Souparis, the company's founder and majority shareholder have not been separated. The Board of Directors has not imposed any particular restrictions on the powers of the Chairman and Chief Executive Officer.

1.3.3 For organizations that have a unitary board structure or equivalent system of governance, state the number of members of the highest governance body who are independent and/or non-executive members

On 31 December 2011, the Board of Directors had six members who were as follows:

Hugues Souparis (Chairman);
Michèle Baur;
Daniel Vanier (independent director);
François Poirier (independent director);
Roland Bellande (independent director);
Nathan Souparis;
Sandra Le Grand (independent director).

In accordance with the recommendations of the AFEP/MEDEF report of October 2003, according to criteria adopted by the Company to be qualified as an independent director and prevent risk of conflicts of interest between the director and executive management, the Company or the Group, Directors may not:

- Be a current employee or corporate officer of the Company, current employee or director of an entity consolidated by the Company or have occupied such positions within the past five years;

- Be an officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an officer of the corporation (currently in office or having held such office for less than five years) is a director;
- Be a significant customer, supplier or commercial banker of the Company or its Group, or for which the Company or its Group accounts for a significant part of its business;
- Be related by close family ties to an executive officer;
- Have been an auditor of the corporation within the previous five years;
- have been an officer of the corporation for more than 12 years.

The qualification of independent director is discussed annually by the Board of Directors in the meeting devoted to evaluating corporate governance.

1.3.4 Mechanisms for shareholders and employees to provide recommendations or direction to the Board of Directors (or equivalent body). This item includes references to processes regarding:

The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the Board of Directors (or equivalent body):

Questions in writing may be sent by registered mail with request for acknowledgement of receipt to the headquarters no later than the fourth business day preceding the date of the general meeting. To be taken into account, these questions must be accompanied a document (*attestation d'inscription*) certifying that shareholder's shares are duly registered in a securities account.

One or more shareholders, representing a certain percentage of the share capital may submit agenda items or draft resolutions for consideration.

The percentage required to be authorized to add items of business or draft resolutions is set by Article L. 225-105 subsection 2 and Article R. 225-71 of the French Commercial Code.

Reasons for requesting an item to be added to the agenda must be provided. The request to add draft resolutions is accompanied by a draft text that may be accompanied a brief description of the reasons.

The Chairman of the Board of Directors acknowledges receipt of requests to add items to the agenda or draft resolutions within five days from receipt.

These items of business and draft resolutions that must be communicated to shareholders are then placed on the agenda. Draft resolutions are submitted to a vote of the shareholders.

- Informing and consulting employees about the working relationships with formal representation bodies such as organization level 'work councils, and representation of employees in the Board of Directors or an equivalent highest governance body. Identify topics related to economic, environmental, and social performance raised through these mechanisms during the reporting period.

Seven representatives of the personnel forming the Works Committee were elected in October 2009, including four principal and two alternate members. No labour unions are represented. Meetings are held with Management once a month. The Health, Safety and Working Conditions Committee (CHSCT) meets quarterly.

1.4 – Strategy and analysis

On-going technological advances, worldwide economic growth, social progress and environmental protection represent key priorities in today's industrial sector.

The industrial and commercial success of the Hologram. Industries Group depends on our capacity to integrate these factors and improve the quality of the services and products we provide while protecting property, people and the environment.

For that reason, conscious of the importance of these different issues and its responsibilities as a corporate citizen, Hologram. Industries has launched a sustainable development policy reflecting the management commitments and a resulting proactive approach.

In the interest of ensuring coherence between its goals and its long-term performance, the company's strategy is based on achieving a dynamic balance between financial results and societal progress. Each of us at our different levels are responsible for applying and encouraging compliance with established good practices in order to achieve the goals that we have set. By pursuing this approach, we will be able to make progress and work in a manner that offers our personnel and customers greater security while preserving the environment for future generations.

1.5 – Hologram Industries' sustainable development policy

QUALITY

The **satisfaction of our customers** is a key priority. To meet their requirements and needs, our objectives are to:

- ✓ **Develop safe and innovative products addressing the needs of our customers; Supply our customers with high quality service;**
- ✓ **Rapidly and efficiently process customer quality issues.**

The Group's ISO 9001 certification reflects this commitment to continuing improvement.

WORKPLACE HEALTH, SAFETY AND SECURITY

Our goal is to create and maintain working conditions to reduce the risk of **accident** to a minimum and **prevent occupational illnesses** for all personnel working at our sites.

To this purpose, we undertake to:

- ✓ **Identify the risks and implement measures for mitigating and controlling them; Developing the Health & Safety culture;**
- ✓ **Promoting employee awareness about risks and risk management.**

ENVIRONMENT

The Group's ISO 14001 certification covers our principles of action for ensuring compliance of the site installations, periodic identification of our environmental impacts with the establishment of an action program for the purpose of regulatory compliance and on-going improvement. Our commitments cover:

- ✓ **The quality of air and water discharge as well as preventing pollution;**
- ✓ **Managing our industrial waste;**
- ✓ **Managing our natural resources.**

SECURITY

Guaranteeing manufacturing processes under safe conditions that prevent all internal and external malicious acts is critical to our committee.

For that reason we are determined to:

- ✓ **Eliminate risks of internal or external malicious acts;**
- ✓ **Ensure on-going improvements of the security management system in line with the requirements of major customers.**

2. CSR stakes: putting principles into practice

2.1 – Environmental management system

Protecting the environment within which we operate is a key focus of Hologram Industries' development. In response to the strategic stakes relating to the environmental impacts of our activity, we have adopted an efficient organization based on a management system for evaluating and mitigating as much as possible these impacts. Certified ISO 14001:2004 since 2010, the company has undertaken to adhere to and comply with regulatory requirements governing its activities as well as the needs and other requirements of its stakeholders, while continuing to work on issues that go beyond simple regulatory compliance

In addition to this commitment to effectively manage environmental impacts, Hologram Industries has been successful in developing strong motivation by employees as collective contributors to a responsible approach. An "Environmental" bonus was created for workers finding ways for improvements related to environmental impacts. The Q.H.S.E. department has implemented an information and documentation service focusing on environmentally responsible issues with potential benefits for employees. How to obtain a zero interest loan for energy-efficient home installations, environmentally-sustainable driving or carpooling, etc.

In this way, the company is committed to reducing its environmental footprint in a systematic and quantifiable manner to maintain its position as an international leader in its markets and create value combined with a priority of preventing pollution.

2.2 – Mitigating environmental impacts of the company

Since the implementation of its environmental management system, Hologram Industries has invested several hundred thousands euros per year (see EN 30) on studies and work on installations relating directly to measures combating pollution.

In 2010, the company changed all the florescent light tube ballasts by the latest generation ballasts reducing electrical consumption for the lighting of the production workshops. All fluorescent light tubes were changed by low energy consumption class A tubes.

In the same year, a heat exchanger was installed to recuperate the energy of a production boiler to reheat the ambient air of the nearby production workshop.

In 2011, with the support of the water resources management agency, *Agence de l'Eau Seine Normandie*, the company invested in modernizing its water treatment systems by acquiring two completely new systems using the best technology currently available.

Since 2009, the company has participated in a program for offsetting CO2 emissions from professional air travel and travel between home and work of employees. This carbon offset program furthermore also contributes to reducing CO2 emissions not only at home: "Someone who purchases a CO2 "credit" for one ton, provides an incentive for an economic actor, wherever it may operate, to develop a project making it possible to save one tonne of CO2. "

In this way, funds were able to be injected in projects for solar ovens in Africa or a wind farm in China. This last project made it possible to prevent the emission of nearly 1000 tons of CO2 into the atmosphere that Hologram Industries France and its subsidiaries issued in one year for professional travel.

Conscious that carbon offsetting is not a "special license" for continuing to emit CO2, in advance of the mandatory date, Hologram Industries carried out its first carbon assessment (according to the ADEME guide) for 2010.

2.3 – Measures against global warming: the carbon assessment

In its operations, Hologram Industries emits greenhouse gas (GHG) that are one of the main contributors to global warming. Within the framework of a more global approach to environmental issues and to extend further its commitment to mitigating its impacts on air quality and global warming, in 2011, the company retained the services of an engineering firm *Maîtrise de l'Energie en Ville* (MEV) to perform its carbon assessment for 2010.

The Carbon Assessment represents a benchmark study for calculating a company's environmental impact. It makes it possible to quantify all Hologram Industries' activities in terms of a CO₂ equivalent and proposes an action plan for reducing greenhouse gas emissions.

In this way, the Carbon Assessment takes into account all Hologram Industries' activities and seeks to define:

- The calculation of GHG emissions generated by activities within the framework of the study;
- Ranking the weight of missions according to emission items;
- New indicators contributing to effective environmental reporting in order to improve the accuracy of the carbon assessment (*Bilan Carbone®*).

Actions recommended following the results are then broken down into short and medium-term action plans as well as possible priorities for strategic development. The objective is in this way to produce a list of possible improvements and evaluate their effectiveness and positive impact in reducing CO₂ emissions over time.

2.4 – Extra-financial ratings and awards

2.4.1 The GAIA index - Middledenext

Created in 2008, the Gaia index provides a rating for Mid-Caps that measures their extra-financial activity. According to the criteria defined by the partners of the Gaia index, a company is a mid-cap if 2 of the following 3 criteria are met: revenue of less than €3 billion, less than 5,000 employees and a market capitalization of under €2 billion. This definition covers 450 companies listed in the market segments (compartments) A, B, C and Alternext of NYSE Euronext Paris (excluding "financials").

The Gaia Index collects Economic, Social and Governance (ESG) data available for each company. The rating proposed measures primarily the degree of availability of the information. This tool provides users access to an information standard for a large panel of companies with traditionally limited coverage.

In summary, the three objectives of the Gaia Index are:

- 1- Develop an extra-financial information standard accessible to mid-caps;
- 2- Promote the production of extra-financial information by mid-caps;
- 3- Develop in the medium term a link between extra-financial performance, financial performance and the stock market performance of mid-caps.

2.4.2 Extra-financial awards

In 2010, Hologram Industries was the recipient of the award for global ethics performance granted by Ethifinance an independent extra-financial research agency that evaluates CSR performance. This trophy was awarded for the Company's CSR strategy that balances the priorities of good governance with effectively managing human capital and environmental impacts.

Among the top 30 companies that include 17% of large-size companies, 57% of mid-size companies and 27% of small companies, extra-financial performance is not a question of financial resources, since in 2011, Hologram. Industries reached the fourth place of the "Industry" sector out of 230 companies for its ESG performance.



	Industry	Capi
1	Bic	3041
2	Technicolor	224
3	Soitec	431
3	Stallergenes	607
4	Hologram. Industries	100
4	Parrot	205
5	Bonduelle	527
5	Seche Environnement	239
5	Vetoquinol	266

2.4.3 Other awards

On September 22, 2010, Hologram. Industries was also awarded the "Corporate Governance" Grand Prize for the Mid Caps category in the event organized by AGEFI, the French trade information and services group for the financial community.

The AGEFI Corporate Governance Grand Prizes are destined to recognise issuers, boards of directors and supervisory boards that effectively meet the actual expectations of investors (principals and agents) in this area, highlighting noteworthy initiatives in the field of corporate governance to strengthen confidence and promote the implementation of corporate governance rules and practices.

2.5 – Stakeholder engagement

2.5.1 List of stakeholder groups engaged by the organization.

Stakeholder groups of the Company include, customers, suppliers, civil society, shareholders, employees, local authorities, the natural and societal environment.

2.5.2 Basis for identification and selection of stakeholders with whom to engage

The basis for identifying and selecting stakeholders with whom to engage is naturally focused on social and professional groups having relations with the activities of the group. The goal is

to ensure communications with concerned external parties and provide them with factual and credible information on the activity of the site by presenting for example the environmental policy or the annual results and reports of the company. Any interested external party who so wishes may request to obtain information on possible environmental impacts of the company. Any demand falling under the scope of a direct relation with the company's activity and environmental impacts will be addressed and recorded.

At the level of administrations (the French Agency for Environment and Energy Management or DRIEE, Préfecture, etc.) Hologram Industries communicates by mail and through meetings. The DRIEE and the Prefecture (the French government's regional office) are regularly informed by mail as quickly as possible if an environmental accident occurs. Managing external requests provides a means for the company to remain attentive to issues concerning outside parties and promote transparency in its operating approach and its system for presenting pollution and nuisances.

The integrity of all accounting records is an essential condition of the good management of the Group and the disclosure of a true and fair view of its financial situation. The ledgers, books and accounting records as well as the separate and consolidated financial statements of Group entities must provide a fair and proper presentation of transactions by these entities in accordance with applicable regulations and accounting principles as well as Group reporting and internal control procedures. Similarly, accounting and financial information transmitted within the framework of Group reporting procedures must contribute to providing an accurate assessment of the financial position of the entities concerned.

All staff involved in making accounting entries must do so with accuracy and honesty and ensure the existence of the appropriate vouchers and documents for each entry. All staff must comply with the principles and instructions for establishing and maintaining the invoices, expense vouchers and other records resulting in an accounting entry. Funds or assets not booked may not be held or maintained unless permitted by regulations and the applicable accounting principles after a review by the outside auditors

The Group ensures compliance with securities market regulations and the principles of governance. Reports published on a periodic basis by Hologram Industries or other Group entities or communicated to public authorities must present complete, fair, accurate, comprehensible and up-to-date information on the situation of the Group or its different entities.

3. Motivating and strengthening employee cohesion

3.1 – Improving workplace well-being

To promote improved well-being in the workplace for employees, in 2010, the company launched a wide-scale consultation with an outside consulting firm in the form of a social performance audit. The purpose of this consultation was to identify and precisely define factors potentially impacting employee performance at work and finally, measure the workplace experience of employees.

The measurement indicator of the study focused on the employee environment, staff exposure to stress, staff involvement in work, organizational commitment, the sense of belonging and adhesion to professional values and the representation of the "value of work". What is measured in this approach is not the real situation but rather employee perception. The results take into account employee perception at this particular point in time that may evolve according to new circumstances.

In conducting this survey, Management wanted to define corrective measures considered the most appropriate for the 2011 and 2012 periods covering notably:

- Recognition at work;
- Implementing management training programs for management staff;
- Promoting internal mobility (improving distribution of information about positions available within the company, implement a process for internal recruitment, etc.).

3.2 – Internal mobility

In terms of career path development, a real process of internal mobility was implemented in 2011 involving:

- The systematic publication of open positions;
- Meetings with the HR Manager and the head of the recruitment department;
- Analyses of applications and meetings with the HR manager, and recruitment department manager and the head of the candidate's department.

3.3 – Equal opportunity employment and promoting job attractiveness (Indicator HR4)

The diversity of the staff and cultures represented within the Group represents an important strength. In connection with its commitments as an employer, the Group is determined to offer employees equal opportunities for recognition and career development, regardless of their origin, gender and beliefs and does not tolerate any form of discrimination or harassment.

These principles are also applied to the Group recruitment process.

The company does not engage in any form of discrimination in recruitment and only the studies, career history and job interview are taken account in the decision of whether or not to hire the candidate.

Similarly, during the professional career, the quality of the work, expertise and commitment and also the opportunities within the organization are taken into account in decisions relating to possible internal transfers or promotions.

3.4 – The Environmental charter

Hologram. Industries' environmental charter sets forth 10 simple and easy to reproduce principles to encourage personnel to better take into account environmental issues in their daily practices. This charter provides recommendations about, among other things, printed documents, energy and water resources savings. It also covers rules concerning waste sorting in the office, encourages carpooling and travel by train rather than plane.

This charter was developed as a tool to focus company employees on achieving a common objective: mitigating and effectively managing our environmental impacts.

4. Our report

4.1 – Report profile

4.1.1 Reporting period for information provided

The reporting period is over 2010-2011.

4.1.2 Date of the most recent previous report (if any)

The first report was published for the 2009-2010 period.

4.1.3 Reporting cycle

The reporting cycle is annual.

4.1.4 Contact point for questions regarding the report or its contents

Marion Allard, QHSE Manager
Grégoire Meresse, Environmental and Security Engineer

4.2 – Report scope and boundary

4.2.1 Process for defining report content including:

The content of this report is based on the main principles set forth in the GRI guidelines. The report's content respects the principle of providing a balanced disclosure and representation of both positive and negative contributions to organizational performance. We however note that because of the recent nature of the company's internal reporting system, technical data input to produce indicators was not necessarily available yet. In light of information available, the company has undertaken to comply with the principle of providing a balanced presentation and will seek to disclose more information in subsequent reports.

In accordance with the same principles, Hologram Industries has sought to produce a report providing a basis of comparison by adopting a model that will make it possible to compare changes in performance from one year to the next. By rigorously following the template for preparing its first report, the company has demonstrated its reliability, clarity and accuracy in its disclosure of information providing stakeholders in this way with a tool to precisely evaluate the organization's performance.

And just as for its quality and environmental management system, the company undertakes to pursue continuing improvements in the exhaustive and balanced nature of the information it discloses.

4.2.2 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance

The boundary of this report covers exclusively the site of Bussy Saint-Georges (France).

4.2.3 Indication of any specific limitations on the scope or boundary of the report

The report covers the activities of the main site (Hologram Industries France).

4.2.4 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations

Not applicable

4.2.5 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

Not applicable

4.2.6 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report

Not applicable

5. Performance indicators

5.1 Environmental indicators

EN 3

Direct energy consumption by primary energy source

In gigajoule (GJ)

Sources of direct non-renewable energy	2010	2011
Natural gas	1,978	2,798

Gas consumption is directly linked sole activity of glue coating. Thermal consumption increased 41% from 2010 to 2011 41% whereas overall production relating to this activity declined 14.6% during the same period. This increase is not directly related to a deterioration in energy performance but rather the changeover of production to three 8-hour shifts for 2011. As a result, thermal consumption increased by producing less footage for this activity though for a larger width and on a three shift basis.

EN 4

Indirect energy consumption by primary source

In gigajoule (GJ)

	2010	2011
Intermediary energy originating from non-renewable sources		
Electricity	8,145	8,862
Heating and climate control	0	0
Steam	0	0
Nuclear energy	0	0
Other forms of imported energy	0	0
Intermediary energy originating from renewable sources		
Solar energy	0	0
Wind energy	0	0
Geothermal energy	0	0
Hydro-electrical energy	638	784
Biomass-based intermediate energy	0	0
Hydrogen-based intermediate energy	0	0
Other unidentified sources	337	278
Total indirect energy consumption by indirect non-renewable sources	8,145	8,862
Total indirect energy consumption by indirect renewable sources	976	1,062
Primary energy corresponding to total energy consumption for production	9,121	9,924

Electricity consumption in 2011 marginally exceeded 2010 with 2.75 millions KWh in 2011 compared with 2.53 millions in 2010.

However, in relation to production launched per square meter for the entire production site, energy performance in 2011 improved. In effect, it declined from consumption of 1,13 KWh per square meter of film in 2010 to 1,09 KWh in 2011. Instead of speaking however of energy performance, 2011 was more a period of energy stability.

EN 5

Energy saved due to conservation and efficiency improvements

In 2009, the company invested in a heat exchanger to recover unused heat of a gas boiler for redistribution in the air conditioning system of a production workshop. Calories not entirely used by the boiler and used to reheat the ovens of a production machine, are passed through a reverse flow heat exchanger to be reused for heating the production workshop. This investment contributed to an energy savings of 40%. This energy savings was obtained from the existing air conditioning system powered by electricity. In 2011, this equipment remained in service.

EN 6

Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives

No initiative that can be effectively quantified was able to be presented by the company. However, in 2011, Hologram. Industries implemented measures to considerably decrease water consumption that was reduced in half between 2010 and 2011 (see EN8).

EN 7

Initiatives to reduce indirect energy consumption and reductions achieved

Consumption of energy intensive materials

Hologram. Industries has not implemented a strategy to significantly reduce energy intensive materials and energy for outsourced production.

Business tourism

Staff concerned by business tourism organize, to the extent possible, video-conference meetings instead of organizing business trips in France or other countries.

Hologram. Industries' Environmental Charter encourages this solution along with travel by train rather than plane when this is possible.

Employee transportation

Personnel of Hologram. Industries use car pooling for transportation from home to work (when possible) and the company encourages this initiative by assigning them reserved places.

EN 8

Total water withdrawal by source

Sources of supply	Total volume of water withdrawal (m3/yr.)	
	2010	2011
<i>Surface water including water originating from wetlands, rivers, lakes and oceans</i>	0	0
<i>Water table</i>	0	0
<i>Rainwater collected directly and stored by the organization</i>	0	0
<i>Waste water, through another organization</i>	0	0
<i>Municipal water or water from other suppliers</i>	6,655	2,883
Total water withdrawal	6,655	2,883

Water consumption has been declining regularly since 2007.

In 2011, Hologram Industries' total water consumption has declined by more than 56% in relation to 2010.

This reduction in water consumption reflects the implementation of a closed-circuit system for the circulation of water installed for all production equipment for the last five years. Furthermore, in the third quarter of 2011, the company has invested in dry cleaning systems that no longer use any water at all.

EN 9

Water sources significantly affected by withdrawal of water

Water supply in Bussy-Saint-Georges originates from the Annet-sur-Marne plant that withdraws water from the Marne river. No water is withdrawn from water sources recognized by experts as particularly sensitive areas because of their size, function or status as rare, at risk, threatened or endangered or because it is essential for the survival of a specific endangered plant or animal species). No water is withdrawn from wetlands included in the Ramsar list or any other area recognized nationally or internationally as protected, regardless of the degree of withdrawal.

EN 10

Percentage and total volume of water recycled and reused

	2010	2011
Total volume of water recycle/reused by the organization in cubic meters per year (m3/yr.)	0	0
Percentage of total volume of recycled/reused water out of total consumption in EN8	0 %	0 %

In the beginning of 2012, Hologram. Industries invested in a laser optic technology which does not require use of water. This new technology will replace the previous system to achieve zero consumption by 2014. The first positive impacts on total water consumption volume will be achieved by the end of 2012.

For the more, and mainly for wastewater, the company has switched over the processes concerned to a closed-circuit system of water circulation.

EN 11

Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

The Hologram. Industries site is in Bussy-Saint- Georges in the Seine et Marne department and is not located in any areas covered by the environmental protection or conservation classifications: ZNIEFF (*Zone d'intérêt écologique, Faunistique et Floristique*), ZICO (*Zone d'intérêt pour la conservation des Oiseaux*) or Natura 2000. Declared as a manufacturing site, it has an area of 0.003011 mi² (0.0078 km²) and is not classified as a protected area (IUCN protected area management categories; Ramsar convention, French law, Natura 2000, etc.).

EN 12

Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

Within the framework of its Environmental Management System, Hologram. Industries identifies and evaluates its significant environmental impacts. There are no significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity. Hologram. Industries identifies environmental impacts on a periodic basis or with the addition of each new activity. These impacts are then evaluated according to the degree of control exercised or seriousness. Each new impact is incorporated into an action plan to reduce or eliminate the occurrence of this impact.

In this way, the company eliminates the most significant environmental impacts, and then focuses on addressing those that are less significant to achieve the most comprehensive management possible of its environmental impacts.

The main significant impacts relate to the quality of manufacturing wastewater and air quality. Hologram. Industries' manufacturing facilities are equipped with modern water treatment systems adapted for the type of pollution that might result from its activities. The

quality of wastewater is periodically tested according to a predefined calendar monitored by authorities and complying with thresholds set by regulation.

Furthermore, industrial wastewater of the company is connected to a public waste treatment facility ensuring the quality of the water before being discharged in the receiving environment.

Within this framework, the company has signed a water discharge agreement with the Lagny-sur-Marne treatment syndicate to guarantee the quality of our wastewater before final treatment.

In this way, Hologram Industries exercises complete control over the quality of its industrial wastewater by limiting its impact on biodiversity.

EN 13

Habitats protected or restored

Hologram Industries conducts operations in the Gustave Eiffel zone dedicated to industrial activities of Bussy-Saint-Georges. In this way, the company's activities are exercised outside of protected habitable areas (see EN 11) and in consequence, the company has not implemented a specific strategy or partnership with a third-party.

EN 14

Strategies, current actions, and future plans for managing impacts on biodiversity

In order to effectively pursue its policy for managing biodiversity, Hologram Industries identifies its environmental impacts on a periodic basis, and each time there is a change or renewal in its activities. Each time environmental impacts are identified under 7 headings: Water, Air, Ground/Subsoil, Waste, Noise, Natural Resources and Landscape. For each of these headings the impacts of our activities on the environment and biodiversity are identified.

After being identified, the impacts are evaluated according to 3 criteria: the occurrence of this impact, its seriousness and degree of control over this impact. Based on the factor of frequency and seriousness of the impact, the criticality is determined. The Criticality and Risk Management factor of the impact determines the rating used to rank the impact according to its importance.

An environmental impact receiving a rating above the threshold defined by internal procedures is automatically considered as significant.

Significant environmental impacts are associated with objectives and targets for developing an environmental program. Targets must always be quantifiable as a way of establishing that the objective has been met.

The entire system for identifying and evaluating is verified in connection with environmental audits performed annually by an outside and certified audit firm.

If the public makes a request for information that is justified concerning a significant environmental impact, the company will provide the information.

EN 15

Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

The company's production sites are not located in protected areas inhabited by species included in the IUCN red list.

EN 16

Total direct and indirect greenhouse gas emissions by weight

	In Teq Co2
Methodology used	2010
Carbon assessment (<i>Bilan Carbone®</i>) according to the ADEME methodology	4,400

Certified ISO 9001 since 2004 and pursuing a proactive environmental policy, the company has been certified ISO 14001:2004 since 2010. Within this framework, the company wanted to establish its profile for Greenhouse Gas (GHG) emissions for 2010.

For this purpose Hologram. Industries performed a carbon assessment of its activities. The study supplements the tools for analysing the company's environmental performance, resulting in new actions to be implemented and contributes to communication initiatives relating to the company's environmental approach.

The company voluntarily elected to perform this carbon assessment in advance, before required by regulations.

EN 18

Initiatives to reduce greenhouse gas emissions and reductions achieved

The company performed its carbon assessment for 2010. Based on this assessment, an action plan was able to be drawn up to reduce on a quantifiable basis greenhouse gas emissions over a 2 to 3 year period.

EN 21

Total water discharge by quality and destination

List of discharges	By destination:	By treatment method	Period	Total volume of planned and unplanned water discharges in cubic meters per year (m3/yr.)	Discharges that may be reused by another organization (m3/yr.)
Wastewater 1 & 2	Wastewater treatment plant of Saint-Thibault-des-Vignes (77400)	Physico-chemical treatment	2010	6,655	0
			2011	2,883	0

EN 22

Total weight of waste by type and disposal method

In tonnes		
	2010	2011
Total weight of hazardous waste*	45	94
Composting	0	0
Reuse	0	0
Recycling	0	7
Recovery including energy recovery	0	0
Incineration ** (or mass burn)	45	87
Landfill	0	0
Deep well injection	0	0
On-site storage	0	0
Total weight of non-hazardous waste*	138	185
Composting	0	0
Reuse	0	0
Recycling	1	9
Recovery including energy recovery	95	98
Incineration ** (or mass burn)	42	77
Landfill	0	0
Deep well injection	0	0
On-site storage	0	0
Other(not specified)	0	1
Total weight of waste (hazardous + non-hazardous)	182	279

* The treatment method was determined by the organization in accordance with applicable regulations

** Primary use as a fuel or means to produce energy

The percentage of hazardous waste has increased by 50%*** in response to the generation of new waste. In effect, the water treatment plants have generated waste in the form of sludge to be removed and authorization for discharge from the site with the Bussy-St-Georges district has required recovery of the water from a work installations hazardous waste. To reduce the

volume of production of hazardous waste, at the end of 2011, the company invested in new equipment using a dry cleaning technology without water.

EN 23

Total number and volume of significant spills

In 2011, an accidental spill of a non-hazardous liquid occurred in a workshop of the company following leakage of a production installation. The product (approximately 200 litres) was fully contained within the workshop as the spillage was slow and personnel on-site (trained for this type of exercise) responded immediately by containing the spill by means of powder and absorbent pads.

The spill of liquid was entirely recovered and eliminated as waste. This spill had no direct impact on the environment except for that resulting from the destruction of absorbent materials at the treatment facility.

EN 24

Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.

Hologram Industries is not concerned by this indicator. All the hazardous waste of the company is managed by a French service provider that performs these activities in France and are certified ISO 14001.

EN 28

Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

In 2010 and 2011, Hologram Industries was in compliance with national laws and regulations and as such did not incur any administrative, legal or financial fines.

EN 29

Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce

Airfreight

Given the international dimension of the company's activities, air transport is widely used. Business travel by plane and air transport for goods represent the primary source of pollution of Hologram Industries as the primary factor for CO2 emissions.

Employee commuting to and from work

Travel by car also represents a significant source of emissions and in particular travel to and from work. Travel to and from work of employees accounts for a significant percentage of CO2 emissions.

Noise pollution

With respect to traffic on the A4 highway (the main highway that runs through the Gustave Eiffel industrial park), Hologram Industries' activity is negligible with no impact on traffic. Through the direct access of the industrial park from the A4 highway, vehicles do not pass through residential areas or the town centre of Bussy and do not create any disturbances to inhabitants. Traffic related to the company's activity is estimated to represent only 102 light vehicles and 3 trucks per day.

EN 30

Total environmental protection expenditures and investments by type

	In euros (excl. tax)	
	2010	2011
Waste disposal, emissions treatment and remediation costs		
Treatment and disposal of waste	62,526	100,147
Treatment of emissions	1,223	178,088
Expenditures for the purchase and use of emissions certificates	0	0
Depreciation of related equipment, maintenance, and operating material and services, and related personnel costs	0	0
Insurance for environmental liability	0	5,129
Personnel employed for education and training	0	0
External services for environmental management	4,880	3,680
External certification of management systems	4,200	4,200
Personnel for general environmental management activities	30,000	31,500
Prevention and environmental management costs		
Research and development	0	0
Extra expenditures to install cleaner technologies (e.g., additional cost beyond standard technologies)	7,124	0
Extra expenditures on green purchases	0	0
Other environmental management costs	0	0
Total environmental protection expenditures	109,953	322,744

Environmental protection expenditures in 2011 increased nearly twofold from 2010, notably in response to the renovation of the treatment plants for industrial wastewater.

5.2 SOCIETY PERFORMANCE indicators

SO2

Percentage and total number of business units analysed for risks related to corruption

Hologram. Industries' code of business conduct requires compliance with principles with respect to corruption.

This code of conduct prohibits payment, offering or accepting payments of bribes or granting undue benefits to a civil servant or public employee and/or a private individual to obtain a favour or influence the decision of negotiation in which the Group has an interest. Such practices are in violation of the laws of most countries and international conventions against corruption of foreign public employees in force in a number of countries. The payment of a bribe by an employee in connection with his or her professional activities entails the risks of criminal sections and termination of the employment contract.

No strategic business area is subject to an analysis of the risk of corruption.

SO3

Percentage of employees trained in the organization's anti-corruption policies and procedures

The implementation of the Group's principles of conduct are based on organizations and procedures combining flexibility and coherence. Each entity of the Group is responsible for implementing these principles in accordance with local requirements resulting from applicable laws and regulations and the status of its employees. The Group undertakes to promote these principles in all Companies in which it has an equity interest, and seeks to develop partnerships with third parties that share the same values.

SO4

Actions taken in response to incidents of corruption

The Group has not identified any incidents of corruption since its creation.

No trials have occurred for influence peddling against the organization or its employees since the company's creation.

SO7

Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes

Competition is necessary for economic efficiency. It is one of the essential conditions of the market economy in which the Group operates. Most countries have adopted laws governing competition prohibiting anticompetitive practices: collusion, dumping, etc.

Hologram. Industries has developed a policy in the area of competition strictly adhering to the different applicable regulations. Any infringement can be subject to sanctions in compliance with applicable laws and regulations. Each employee is responsible for

remaining informed about the policy governing competition and applying these principles within the framework of his or her professional activities. Furthermore, every employee must notify managers concerned in cases where there exists a question with respect to the application of this policy.

In 2010-2011, no legal actions were filed for anti-competitive behaviour, anti-trust, and monopoly practices.

SO8

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

The Group has not incurred any fines or non-monetary sanctions for failure to comply with laws or regulations.

5.3 Labour Practices and Decent Work Performance indicators

LA 1

Total workforce by employment type, employment contract, and region

	2010	2011
Total workforce by region and activity		
France	171	195
Total permanent workforce by type of contract		
Permanent contracts	165	182
Fixed-term contracts	5	12
Temporary employees	1	1

Reflecting its positive growth momentum, the company continues to recruit personnel and pursue efforts to strengthen its position in the region where it is based by contributing to local economic development.

LA 2

Turnover rate*	2010	2011
By region		
France	9 %	7 %
By gender		
Men	8.5 %	3.8 %
Women	0.5 %	3.2 %

* Ratio of departing employees to the total workforce

The turnover ratio in 2011 was 7%, down from 2010. In 2011, the turnover ratio remained balanced between men and women.

LA 3

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

Only employees with an employment contract received social benefits provided by the company.

Under these terms, employees may benefit from:

- Mutual insurance coverage with one month of seniority for permanent employment contracts and 12 months of seniority for fixed-term contracts;
- Provident insurance coverage (long-term illness/death): from the first day of the contract;
- Maternity leave: salary maintained;
- Paternity leave : salary is not maintained, payment of Social Security indemnities according to the contributions of the concerned party;
- Retirement: payment of contributions from the first day of the contract;
- Statutory and voluntary profit-sharing: salaried employee as defined by the French labour code (i.e. with an employment contract with the Company), subject to (over the calculation period and during the preceding 12 months) at least three months of seniority.

LA 4

Percentage of employees covered by collective bargaining agreements

	2010	2011
Percentage of employees covered by collective bargaining agreements in relation to the total workforce	100 %	100 %
Total number of employees working for the organization	170	195
Total number of employees covered by collective bargaining agreements	170	195

LA 5

Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements

Hologram Industries consults and informs the members of its single employee representation entity (*Délégation Unique*) about issues to be addressed. Today, there have been no significant modifications in the work organization and, if such were the case, the company would apply the timetable and agendas set by law. Meetings with members of the single employee representation entity are held monthly based on an agenda and a meeting notice submitted no later than three days before the meeting date.

LA 6

Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

The joint management-worker committee that presents the single employee representation entity may address subjects relating to health and security. The Bussy-Saint-Georges and Paris sites include 7 persons out of 14 positions available (7 acting members and 7 alternates), which represents 4.1% of the workforce, noting that the number of positions is defined by the French labour code.

If all were filled, this would represent 8.2% of the workforce (method of calculation of the workforce also determined by applicable laws).

The joint management-worker committee representing the Health, Safety and Working Conditions Committee (CHSCT) is comprised of three members. By law, three representatives are required including at least one with the classification of Supervisory/Manager for companies with up to 199 employees. In this respect, the company fully complies with its obligations.

LA 7

Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

Absenteeism rate*		2010	2011
By region	France	3.2 %	3.1 %
	Fatalities caused by a professional accident or illness	0	0

*The absenteeism rate takes into account occupational accidents and illness and absences during the reporting period.

In 2011, the absenteeism rate from occupational accidents or illness or of absences remained stable in relation to 2010.

LA 8

Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases

In connection with monitoring health and safety at work, Hologram Industries implements prevention (risk analysis, analysis of ambient air, periodic verifications of installations, substitution program for hazardous chemical agents, training, etc.) and protection measures (collective and individual) for optimal management of the risk of illness.

Furthermore, the company organizes every year a vaccination program for the seasonal flu financed from its own funds

Concerning employee groups that travel (sales personnel), the company ensures they are up-to-date with vaccinations. If a vaccination booster is required, the employees concerned is notified.

Finally, for all other serious illnesses (cancer, sexually transmitted diseases, etc.), for employees on sick leave, the provident insurance plan takes over coverage according to the professional category.

LA 9

Health and safety topics covered in formal agreements with trade unions

The Company does not have any trade unions.

LA 10

Average hours of training per year per employee, by gender, and by employee category

Total hours devoted to training by employee category	2010	2011
Managers	1.025	1.265
Supervisory staff***	203	253
Technicians	245	332
Workers/Office employs	471	784
Total number of employees by employee category		
Managers	46	51
Supervisory staff/Technicians	16	16
Technicians	13	28
Workers/Office employs	95	99
Average number of hours of training*		
Managers	22	25
Supervisory staff/Technicians	13	16
Technicians	19	12
Office/plant workers	5	8

*Interim personnel are not included in this indicator

LA 11

Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Training courses and programs to upgrade skills include internal training, funding support for external training as well as the right to sabbatical leave with guaranteed return to employment.

Programs providing assistance to retiring employees or departing employees include a severance benefit (taking into account the employee's age and seniority), and transitioning assistance for retired employees intending to continue working (for example within the framework of the French individual training benefit). In the case of economic redundancies, assistance programs may also include retraining and job placement services.

LA 12

Percentage of employees receiving regular performance and career development reviews,

	2010	2011
Percentage of total employees receiving a formal performance appraisal and review	nd	95 %
Total workforce (in France)	170	195

The annual performance review program covers all employees in the company.

For employees of 45 and older, a meeting referred to as the mid-career review is organised within the framework of the senior employment action plan. A report is produced by the HR Manager that is co-signed by the concerned party. A general report is then presented to the single employee representation entity in order to report on the percentage of the workforce concerned and, if applicable, priorities for to be addressed.

According to the meetings, and with the consent of the interested party, the HR Manager briefs the employee's manager.

In 2011, 95% of employees had a formal performance appraisal. The remaining 5% concerned employees who were absent during the evaluation program: extended sick leave and employees with fixed term contracts for less than 6 months.

LA 13

Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

See 1.3 Governance p 9

LA 14

Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

	2010	2011
Total number of employees	171	195
Management	46	51
Supervisory staff	16	16
Technicians	13	28
Office/plant workers	95	99
Temporary personnel	1	1
Percentage of women in the workforce	50 %	49 %
Percentage of men in the workforce	50 %	51 %

	2010	2011
Breakdown by gender by employee category		
Managers - men	18 %	18 %
Managers - women	9 %	8 %
Supervisory staff - men	6.5 %	5.5 %
Supervisory staff - women	3 %	3 %
Technicians - men	3 %	5.5 %
Technicians - women	5 %	9 %
Office/plant workers - men	22 %	21.5 %
Office/plant workers - women	33 %	29 %
Temporary personnel - men	0.5 %	0.5 %
Temporary personnel - women	0 %	0 %
	2010	2011
Ratio of the base salary of women in relation to men		
Managers	0.93	0.91
Supervisory staff	0.94	0.91
Technicians	0.99	1.09
Office/plant workers	1.17	0.89

5.4 ECONOMIC indicators

EC3

Coverage of the organization's defined benefit plan obligations

	In euros	
	2010	2011
Provisions for retirement severance benefits	274,920	331,390

5.4 Human Rights indicators

HR 2

Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken

Hologram Industries is a signatory of the UN Global Compact and adheres to its Ten Principles. The Global Compact invites companies to adopt, support and apply, in their own sphere of influence, a collection of fundamental values, in the fields of human rights, working standards and the environment, and the fight against corruption.

In its relations with suppliers Hologram Industries includes a clause indicating that we are signatories of the UN Global Compact and request that the supplier undertakes to respect the principles of this charter including the respect of human rights.

The Supplier undertakes to follow the provisions and recommendations of all these texts and recognizes that signature of the contract entails its acceptance of these texts without reservations.

HR 4

Total number of incidents of discrimination and corrective actions taken

The diversity of the staff and cultures within the Group represents an important strength. In connection with its commitments as an employer, the Group is determined to offer employees equal opportunities for recognition and career development, regardless of their origin, gender and beliefs and does not tolerate any form of discrimination or harassment.

These principles are also applied to the Group recruitment process.

For example, making disparaging remarks to another employee relating to his or her ethnic origin, gender, age, religion, or engaging in any undesired behaviour with a sexual connotation may be considered to constitute harassment and is prohibited within the Group. The company does not engage in any form of discrimination in recruitment and only the studies, career history and job interview are taken account in the decision of whether or not to hire the candidate.

Similarly, during the professional career, the quality of the work, expertise and commitment and also the opportunities within the organization are taken into account in decisions relating to possible internal transfers or promotions.

No incidents of discrimination have been identified since the company has existed.

HR 5

Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights

There are no trade unions at Hologram. Industries. The elections of members of the single employee representation entity (serving both as the works committee and employee representatives) are required to comply with applicable laws. Members of this body meet every month through two successive meetings, one at the Works Committee (according to the agenda established) and another for questions relating of the employees representation body.

HR6

Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour

& HR7

Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour

Hologram. Industries products are produced in France and it does not employ children. The company is a signatory of the UN Global Compact that excludes child labour and eliminates all form of forced or mandatory labour.

GRI Content Index

(application level C)

Strategy and analysis	
Statement from the most senior decision maker	P 3
1.1.1 Name of the organisation	P 4
1.1 – Organizational profile	P 4
1.1.2 Primary brands, products and/or services	P 4
1.2 – Operational structure of the organization	P 4
1.2.2 Location of the organization's headquarters	P 5
1.2.3 Number of countries where the organization operates	P 5
1.2.4 Nature of ownership and legal form	P 5
1.2.5 Markets served by the organization	P 5
1.2.6 Scale of the reporting organization	P 6
1.2.7 Significant changes during the reporting period	P 7
2.4.2 & 2.4.3 Awards received in the reporting period	P 15
Report parameters	P 17
4.1.1 Reporting period	P 17
4.1.2 Date of most recent previous report	P 17
4.1.3 Reporting cycle	P 18
4.1.4 Contact point for questions	P 18
4.2.1 Process for defining report content	P 18
4.2.2 Boundary of the report	P 18
4.2.3 Any specific limitations on the scope or boundary of the report	P 18
4.2.4 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities	P 18
4.2.5 Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatements	P 18
4.2.6 Significant changes from previous reporting periods	P 19
GRI Content Index	P 37
1.3 Governance, Commitments and Engagement	P 9
1.3.1 Governance structure of the organization	P 9
1.3.2 Indicate whether the Chair of the highest governance body is also an executive officer	P 10
1.3.3 State the number of members of the highest governance body who are independent and/or non-executive members	P 10
1.3.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	P 11
2.5.1 List of stakeholder groups engaged by the organization.	P 15
2.5.2 Basis for identification and selection of stakeholders with whom to engage	P 15

Grenelle Environment Roundtable II / GRI / Global compact cross-references

Cross-reference table

Grenelle Environment Roundtable 2 - article 225 	GRI 3.1 	Global Compact 	Pages
Employee information			
Workforce			
Total headcount	LA 1		p29
Breakdown of employees by gender	LA 1		p29

Breakdown of employees by age			
Breakdown of employees by region	LA 1		p29
Recruitment	LA 2		P29
Dismissals	LA 2		P29
Remuneration	LA 3		P30
Evolution of remuneration	LA 3		P30
Work organization			
Working time organization	LA		
Absenteeism	LA 7		P31
Labour relations			
Organization of employee-management dialogue	LA 4	# 3	P30
Report of collective bargaining agreements	LA 5		P30
Health and safety			
Occupational health conditions	LA 6 & LA 8	# 4 - 5	P31 & P31
Occupational safety	LA 6 & LA 8		P31 & P31
Report of agreement signed with trade unions concerning occupational health and safety	LA 9		P32
Frequency and seriousness of occupational accidents	LA 7		P31
Professional illnesses	LA 7		P31
Training			
Training policy and resources	LA 11		P32
Total number of training hours	LA 10		P32
Equal opportunity			
Diversity and equal opportunity policies & actions	LA 13 & EC 5 & EC 7	# 6	P33 & nd & nd
Equality between men and women	LA 14		P33
Employment and integration of handicapped employees	LA 13		P33
Combating discrimination	LA 13		P33
Promoting and respecting ILO provisions (Human Rights)	LA & HR	# 1 to 6	P29 to P33 & P34 to P35
Respecting the right of freedom of association and collective bargaining	HR 5; LA 4 & LA 5	# 3	P35; P30 & P30
Eliminating discrimination in employment and professional life	HR 4; LA 13 & LA 14	# 6	P35; P33 & P33
Eliminating forced or mandatory labour	HR 6 & HR 7	# 4 & 5	P35
Effectively combating child labour	HR 6		P35

Environmental information			
General environmental policy			p12
Company organization for taking into account environmental issues When applicable, procedures for environmental evaluation and certification	Managerial approach	#7-8-9	p12
Training and employee information actions relating to environmental protection			p12
Resources devoted to preventing environmental risks and pollution	EN 30		P27
Amount of provisions and guarantees for environmental risks (except risk of damage***)	EN 28 & EC 2		P26 & nd
Pollution and waste management			
Measures for preventing, reducing and repairing discharges in the air, water and ground causing serious environmental impacts	EN 22 & EN 23 & EN 24	#7-8-9	P25 & P26 & P26
Measures for prevention, recycling and eliminating waste	EN 27		Nd
Taking into account some pollution and other forms of pollution specific to an activity	EN 25		Nd
Sustainable use of resources			
Water consumption		#7-8-9	
Supply of water according to local constraints	EN 8 & EN 9 & EN 21		P21 & P21 & P25
Consumption of raw materials	EN 1		nd
Measures taken to improve efficiency in the use of raw materials	EN 10		P22
Energy consumption	EN 3 & EC 4		P19 & P19
Measures taken to improve energy performance and recourse to renewable energies	EN 5 & EN 6 & EN 7		P20 & P20 & P20
Ground use			
Climate change			
Greenhouse gas emissions	EN 16 & EN 17 & EN 20	#7-8-9	P24 & nd & nd
Adapting to the consequences of climate change	EN 18 & EC 2		P24 & nd
Protection of biodiversity			

Measures taken to preserve and develop biodiversity	EN 11 to 15 & EN 25	#7-8-9	P22 to P24 & Nd
Information relating to societal commitments in favour of sustainable development			
Regional, economic and social impact of the company's activity			
In terms of employment and regional development	EC 8 & EC 9		See P29
On neighbouring or local populations	EC 1 & EC 6		Nd
Relations with persons or organizations interested by the activity of the company (Note: stakeholders)			
Conditions of dialogue with stakeholders	4.14 - 4. 17		p15
Support, sponsorship and partnership initiatives	EC 1 & 4.11 - 4.13		P15, P17
Subcontracting and suppliers			
Taking into account social and environmental issues in the company's purchasing policy	EC 6 & HR 2 & HR 5 to 7	# 1 & 2	P35
Importance of subcontracting and taking into account CSR in relation with suppliers and subcontractors	3.6 & 4.14		P18 & P15
Fair practices			
Actions undertaken to prevent all forms of corruption	SO 2 - 4, SO 7 & SO 8	# 10	P28 & P29 & P29
Measures taken in favour of consumer health and safety	PR 1 & PR 2		Nd
Other actions undertaken in favour of the Human Rights	HR	# 1 & 2	P34 to P35

*Nd (not documented)

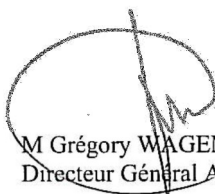
Self declaration (application level)

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
	G3 Management Approach Disclosures OUTPUT	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

*Sector supplement in final version

I hereby declare that to the best of my understanding this report fulfils the requirements for a GRI G3 Application Level C.

Name: Grégory Wagemans
Position: Deputy Chief Executive Officer
Date: 09/03/2012


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