

# GLOBAL COMPACT COMMUNICATION ON PROGRESS



## **XIRING**

Public Limited Company (PLC) with capital of 4.050.325,20 Euros

River Seine, 25 quai Gallieni, 92150 Suresnes, FRANCE

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

Website: [www.xiring.com](http://www.xiring.com)

### ***Contacts :***

Mr Eric PLANCHARD

Strategic Projects Director

+33 1 46 25 80 61

[e.planchard@xiring.com](mailto:e.planchard@xiring.com)

Mr Georges LIBERMAN

Chief Executive Officer

+33 1 46 25 80 49

[g.liberman@xiring.com](mailto:g.liberman@xiring.com)

***Membership date*** : 10<sup>th</sup> October 2006

***Number of employees*** : 50

***Turnover 2007*** : 23.8 million Euros (35 million US\$)

***Sector*** : 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 equips over 5 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 €23.8 million in 2007. XIRING has been listed on Alternext / NYSE-Euronext Paris since Sept. 18th 2006. Code ISIN: FR0004155612, mnemonic ALXIR.

Statement of continuing support

Extract from the letter to the Global Compact Office, dated 10<sup>th</sup> September 2008.

*“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.*

*Two 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 Communication On Progress which includes major actions that have been undertaken during the 2006-2008 period, mostly aiming at the respect of the Global Compact principles at the manufacturing level in our facilities in China.*

*We will continue these efforts and follow the action plans with a particular new focus on environment protection.*

*By embracing the 10 universal principles, we are convinced that XIRING can contribute to international cooperation, peace and development.”*



Georges LIBERMAN  
Chief Executive Officer

Board members approvals

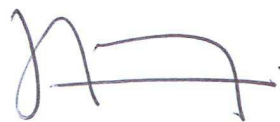
Valérie GOMBART



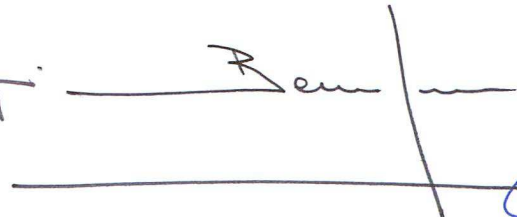
Etienne KRIEGER



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 engaged in the Global Compact United Nations initiative, in order to make sure that their commitment will not be only to comply to our own request, but to commit themselves in the Global Compact process for the long term.

## Actions implemented

ACTION	DETAILS	DATE
Getting the manufacturing plant in Shenzhen (China) to join the Global Compact initiative	Official support for Global Compact adhesion	20 <sup>th</sup> October 2006
Define a framework for action	<ul style="list-style-type: none"> <li>• Decision to measure the situation by applying the SA8000 (Social Accountability 8000) compliance</li> <li>• Definition of a COC (Code Of Conduct) dedicated to the manufacturing activity and establish a code of conduct assessment check list</li> <li>• Define the process of measurement and reporting (SGS audits)</li> </ul>	October, November, December 2006

### Measurable results or outcomes

An audit has been conducted by SGS independent auditors, based on an “assessment check list” as described hereafter and in conformity with the SA8000 standards.

Code of Conduct assessment check list:

- 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:

1. Plan to limit the working time to no more than 8 hours per day, 40 hours per week	Points 1 to 5 :  included in a 3-year action plan (2007-2009) with yearly milestones.	Execution of the 3-year plan
2. Limit the employees overtime hours to no more than 3 hours per day, 36 hours per month		Execution of the 3-year plan
3. Make sure that all employees have at least 1 day off per week		All employees had 1 day off every 3 weeks in 2007 and have 1 day off every 2 weeks in 2008. They will have 1 day off every week in 2009.
4. Provide at least the local minimum wage to each employee		Minimum wage not less than RMB 27,4 per day in 2007.
5. Provide at least the legal required overtime premium		Execution of the 3-year plan

6. Provide social insurance for all employees	Points 6 to 13 : included in the 2006-2007 plan.	Done in March 2007.
7. Train and obtain qualification certificates for the employees in charge of electricity and elevators		2 electricians and 3 elevator operators trained and certified. Done in March 2007.
8. Installation of fans for all welding post in the factory		Done in 2006/2007.
9. Providing of masks with charcoal filters to all welders of the assembly department workers		Done in 2006/2007.
10. Providing of masks with charcoal filters to all silk-screen printing and tempo printing workers		Done in 2006/2007.
11. Installation of adequate fire extinguishers at each floor in the dormitory building		Done in 2006/2007.
12. Obtain the safe use certificates for 5 air compressors		Done in 2006/2007.
13. Obtain the annual testing certificates for 8 travelling cranes		Done in 2006/2007.

### Actions planned for next years

- Continue the audit and follow the 3-year action plan in our main factory.
- Process the audit in the other manufacturing plant and set the improvement action plan (n° 2 in 2008/2009).
- Extend the process to the other suppliers in accordance with their geographical situation.

## 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 conviction.

### *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 and 8

7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.

### Our commitment and policy

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

### Process or system

A formal process has not yet been implemented to report the different actions in this area. This will be done starting 2009.

### Actions implemented

- Contractors Manufacturing Plants must be ISO 14000 certified ; Audits have been conducted to control the validity of the ISO 14000 certification.
- Waste sorting at XIRING Headquarter (ink cartridges, batteries, electronics and plastics).
- XIRING contracted with specialized companies (ERP and RCP) the collection and recycling of old products.
- First Product green design.

### Actions planned for next years

- Have a named person in charge for managing / improving the policy.
- Prepare an action plan.
- Evaluate carbon footprint for the entire lifecycle of a product.



# Principle 9

9. Encourage the development and diffusion of environmentally friendly technologies.

## Our commitment and policy

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

- To improve the environment-friendliness characteristic of our product offers, by reducing the environment footprint with less materials and designing « green » products.
- To prefer the use of environment-friendly material when possible.
- ISO 14000 certification checking.

ACTION	DETAILS	DATE
Develop a “green” PC-linked smart card reader	The Teo by XIRING smart card reader offer has been developed by lowering the environmental footprint of such offer (the packing is made of recycled paperboard, the user guide is directly printed on the packing, avoiding the need for an additional paper material, the product itself is designed with the smallest PCB, the plastic parts are clipped-on, no screws to facilitate the recycling).	November 2006
Develop a “green” strong authentication solution for e-banking / e-commerce	The Xi-Sign 4300 has been designed ‘from scratch’ with the environmental footprint in mind : <ul style="list-style-type: none"> <li>• Plastic parts are clipped-on, no screws (the previous product requires 11 screws).</li> <li>• Plastic materials have been reduced by 26% compared to the previous similar product. PMMA and PC types plastic are no more used.</li> <li>• The inked area has been reduced by 83%.</li> <li>• The packing has been improved : one plastic bag only (Vs. two), 14% less cardboard material, 9% less volume (shipping).</li> </ul>	November 2008

# 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 of “kick back”.