

GLOBAL COMPACT COMMUNICATION ON PROGRESS



XIRING

Public Limited Company (PLC) with capital of 4.359.637,20 Euros
River Seine, 25 quai Gallieni, 92150 Suresnes, FRANCE
Listed on Alternext / NYSE-Euronext Paris. Code ISIN: FR0004155612, mnemonic ALXIR
Website: www.xiring.com

Contacts :

Company contact point : Mr Alain BRIANE
Manufacturing Manager
+33 1 46 25 80 24
a.briane@xiring.com

General contact : Mr Eric PLANCHARD
Strategic Projects Director
+33 1 46 25 80 61
e.planchard@xiring.com

Mr Georges LIBERMAN
Chairman & Chief Executive Officer
+33 1 46 25 80 49
g.liberman@xiring.com

Membership date : 10th October 2006

Number of employees : 52

Turnover 2008 : 28.5 million Euros (40 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 10 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 €28.5 million in 2008. 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 8th September 2009.

“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.

3 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 2009 Communication On Progress which includes the continuity of the major actions that have been undertaken during the 2006-2008 period. As planned, 2008/2009 is a period of particular efforts on the environmental challenges.

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




Georges LIBERMAN
Chairman & C.E.O.

Board members approvals

Valérie GOMBART



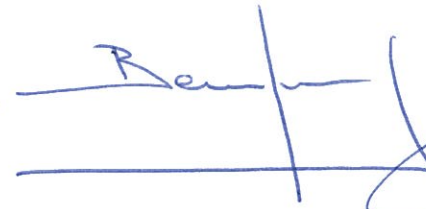
Etienne KRIEGER



Eric PLANCHARD



Bernard YONCOURT



Georges LIBERMAN



Principles 1 to 5

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

Our commitment and policy

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

Process or system

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

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

XIRING is also working to get its suppliers 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 th October 2006
Define a framework for action	<ul style="list-style-type: none"> • Decision to measure the situation by applying the SA8000 (Social Accountability 8000) compliance • Definition of a COC (Code Of Conduct) dedicated to the manufacturing activity and establish a code of conduct assessment check list • Define the process of measurement and reporting (SGS audits) 	October, November, December 2006 and ongoing

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	<p style="text-align: center;">Points 1 to 5 : included in a 3-year action plan (2007-2009) with yearly milestones.</p>	Execution of the 3-year plan. On 30/6/09 the normal working time is 40h/week. 3 year plan is achieved.
2. Limit the employees overtime hours to no more than 3 hours per day, 36 hours per month		Execution of the 3-year plan. Overtime will not be over 36h/month in the assembly process. 3 years plan is achieved.
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. On 30/6/09 all employees have 1 day off every week. 3 years plan is achieved.
4. Provide at least the local minimum wage to each employee		Minimum wage not less than RMB 27,4 per day in 2007. On 30/6/09 minimum wage is 35.4RMB/day.
5. Provide at least the legal required overtime premium		Execution of the 3-year plan. Overtime is paid to employees 6.6 RMB/hour on weekday and 8.8 RMB on weekend. 3 years plan is achieved.

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.
- Organization of a Works Council (employees representation) with financial and physical means in XIRING headquarters.

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 to 9

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

Our commitment and policy

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

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

Process or system

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

Actions implemented

- Have named a person in charge of managing / improving the policy (Alain BRIANE – Manufacturing Manager).
- Industrialization and starting mass production of the new “green” product Xi Sign 4300 studied in end of 2008.
- Evaluation of the carbon footprint of XIRING headquarters in process.

Actions planned for next years

- Evaluate carbon footprint for the entire lifecycle of a product.
- Make a comparison study between new “green” product vs old generation.
- Continuation of ISO 14000 checking with our new subcontractors.

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”.