

GROUP MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2013

D. SOCIAL AND ENVIRONMENTAL RESPONSIBILITY OF PRODWARE SA

22. SUSTAINABLE DEVELOPMENT AS CORE VALUES OF PRODWARE SA

Supplier and vendor of management solutions since more than 20 years, Prodware is at the heart of the companies' performance.

Prodware aspires to be an environmentally citizen company in words as well as in deeds, in both its internal and external practices, by providing common sense, cost-efficient and right management solutions to meet its clients need even before being bound by regulatory requirements.

As a listed company, Prodware has been publishing since 2008 its human, societal and environmental indicators under a Progress report, while using the international reference report of the GRI, Global Reporting Initiative.

Prodware voluntarily chose to rally and to adopt all the ethical rules of Global Compact, the Worldwide Pact of the United Nations.

23. OUR SOCIAL RESPONSIBILITY

23.1. Human capital: our first wealth

Besides the yearly establishment of the Social report, Prodware SA assesses its social performances through Human Resources indicators from the « Global Reporting Initiative ». The indicators presented below are the GRI « Core indicators » defined in partnership with the United Nations Environment Program (UNEP).

"The Global Reporting Initiative (GRI) was established at the end of 1997. Its objective was to develop globally applicable guidelines for the measurement of economic, environmental and social performances, initially for companies and afterwards for any governmental or non-governmental organization. Established by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Program (UNEP), GRI is being actively promoted by companies, NGOs, accounting organisms, businessmen associations and other worldwide actors".

<http://www.sommetjohannesburg.org>

23.1.1. Total workforce by employment type, status and work contract (GRI CORE Indicator LA 1) (LA = Labour, indicators related to work conditions)

Prodware average workforce in 2013 amounts to 700 employees (738 in 2012). The executives portion of the workforce has kept on increasing as following: 6% of executives against 32% of non-executives in 2013 (2012: 67% of executives against 33% of non-executives).

Workforce	2006	2007	2008	2009	2010	2011	2012	2013
Executives	56%	51.4%	50.4%	56.9%	56.7%	60.9%	67%	68%
Non-executives	44%	48.5%	49.5%	43.1%	43.2%	39.1%	33%	32%
Total	476	752	761	730	645	646	738	700
Variation		+57.9	+1.1%	-4.0%	-11.60%	0%	+14.2%	-5.4%

23.1.2. Staff turnover (GRI CORE Indicator LA 2)

With an average staff of 700 employees and 126 departures, employee turnover is of 18%. [According to SYNTEC turnover definition: Number of departures (excluding DPC, CDD in french)/ average workforce]

	2007	2008	2009	2010	2011	2012	2013
Variation	19.8%	21.6%	20.0%	17.6%	13.0%	14.77%	18%

The variation in turnover rate in 2013 is comparable to the rates of 2009 and 2010, years that have also been concerned by a decrease in the workforce.

Since 2012, we analyse this turnover depending on status, employment and age group. This year, this variation has been more important for the executive workforce (which amount increased in absolute value) while the non-executives workforce has decreased.

2013	2013 departures (excluding DPC)	Average workforce	2013 turnover	2012 turnover
Executives	93	479	19.5%	12.9%
Non-executives	33	221	14.9%	18.4%

Workforce turnover by type can be presented as follows:

2013	Consulting	Développement	Hotline	Commerce	Administratif	TOTAL
Departures (excluding DPC)	54	17	5	35	15	126
Average workforce	287	127	45	136	105	700
Turnover	18.8%	13%	11%	25.7%	14.2%	18%

2012	Consulting	Développement	Hotline	Commerce	Administratif	TOTAL
Departures (excluding DPC)	62	9	6	18	14	109
Average workforce	314	139	47	136	102	738
Turnover	19.7%	6.4%	12.7%	13.2%	13.7%	14.7%

One may notice that consultants turnover remains steady compared to 2012, these employees being concerned by the highest turnover rate on the employment field while the market demand still exists in the SSII sector.

Concerning the sales representatives' turnover, it increased in 2013.

This turnover rate is presented below by age group. One should notice the growth in 25-44 years old group turnover and a stability of the 45-64 years old group compared to 2012.

2013	< 25 ans	25-34 ans	35-44 ans	45-54 ans	55-64 ans	TOTAL
Departures (excluding DPC)	0	36	48	33	9	126
Average workforce	24	164	263	202	46	700
Turnover	0%	21.9%	18.2%	12.4%	16.3%	18%

2012	< 25 ans	25-34 ans	35-44 ans	45-54 ans	55-64 ans	TOTAL
Departures (excluding DPC)	1	33	41	25	9	109
Average workforce	24	191	276	201	46	738
Turnover	4.1%	17.2%	14.8%	12.4%	19.5%	14.77%

23.1.3. Health and security at work (GRI CORE Indicator LA 7)

In 2013, 5,998 leave days have been recorded (illness, maternity, work injuries) and 692 leave days for other reasons (various reasons, personal reasons, including paternity leaves).

The work injury rate is of 0.1% in 2013 (against 0.1% in 2012) and remains stable. The number of work injuries is of 6 in 2013 against 17 in 2012.

The absentee rate increases to 4.22% (in 2012: 3.81%), mainly related to illness leaves rather than work injuries or professional illness.

This variation is also observed by the Alma Consulting Group in its annual report which noticed an increase of 18% of the absentee rate in France between 2011 and 2012 (illness, work/journey and professional illness), or 16.6 leave days per employee against 7.3 leave days per employee at Prodware.

Absenteeism	2008	2009	2010	2011	2012	2013
Total leave days (open days)	7593	6160	6172	5056	6377	6690
Absentee rate	4.5%	3.8%	4.2%	3.4%	3.81%	4.22%
- of which work injury leave	0.1%	0.1%	0.2%	0.06%	0.10%	0.1%
- of which maternity leave	1.2%	0.7%	1.0%	0.55%	0.85%	0.56%
- of which work illness leave	2.4%	2.3%	2.3%	2.3%	2.31%	3.09%

23.1.4. Training and education (GRI CORE Indicator LA 10)

In accordance with the employer's obligation to provide continuous professional training, a total of 736 training days have been financed in 2013 (2012 : 902 days) (category said « imputable ») for the whole workforce.

Training has been provided to 324 employees in 2013 (251 in 2012), representing a decrease of 21.8%. The average number of training days is of 2.27 days per employee with an average of 2 days for non-executives and 2.5 days for the executives (2012: 3.1 for non-executives and 3.64 for the executives).

The use of e-training tools allowed increasing the number of trained employees. Nevertheless, not all the matters can be taught by this way. Thus, a management e-training did not allow us to renew this way of training for this matter in 2014.

Moreover, we keep on emphasising the human aspect in our trainings and work with around 30 training consultants whom we need to strength their loyalty and who are interested in our needs.

One may note that given the preference for internal training during the past years, this investment will be promoted in 2014 while offering a training booklet and promoting the importance of the internal trainer.

Technical fields trainings and job trainings have globally concerned 45% of the investments made by the Prodware Management of Human resources. Other important investments are then English and management trainings.

Awareness for fire extinguishers handling and fire drill exercises are also promoted and have gathered more than 122 employees in 2013 (fire, SST, fire extinguishers handling, CACES, electrical security clearance) against 95 in 2012.

Training days delivered	2009	2010	2011	2012	2013
For the whole workforce	1423	1140	865	902	736
Per executive	4.1	3.6	3.5	3	3
Per non-executive	4.3	3.4	3.1	4	2
Per male employee	4.1	3.7	3.6	3.3	2
Per female employee	4.3	3.2	3.1	3.1	3

Applications for IRT (Individual Right to Training, DIF in french) were steady in 2013. Skills assessments have especially concerned the employees who are in the second part of their careers.

Training contracts (apprenticeship and professional training) have been maintained to 31 employees and 15 interns still at school.

Beyond the importance given to training in the company, PRODWARE signed in 2013 a GPEC agreement (skills and jobs planned management).

The goals of the GPEC are as follows:

- Plan the necessary skills updates in the different jobs;
- Provide to all the employees of the company the necessary information to adjust their career path;
- Plan the methods for individual skills from a job to another through job bridges;
- Develop a social policy that would meet with employee expectations regarding training, career evolution, internal promotion;
- Identify and keep talents (p et conserver les talents (resource promotion) ;
- Promote mobility intra and inter professional.

23.1.5. Diversité (GRI CORE Indicator LA 13)

The average age of Prodware employees in 2013 is 40.8 years old (39.8 in 2012). It is 43 years old for the executives and 36 years old for the non-executives.

Women accounted for 27% of the workforce remaining steady compared to 2012 (2012: 27.7%). They represent 23% of the executives (2012: 20.7%). 55% of the company workforce is executives employees.

Demography	2007	2008	2009	2010	2011	2012	2013
Workforce average age	37.5 ans	37.5 ans	38.6 ans	38.8 ans	39.0 ans	39.8 ans	40.8 ans
Women rate in the workforce	32.4%	31.8%	29.5%	30.3%	29.0%	27.7%	27%
% women in executives group	24.0%	22.6%	20.4%	21.2%	22.0%	20.7%	23%

23.1.6. Concerning the integration of disabled employees

Disabled employees accounted for 3.1% of the average workforce in 2013 (2012: 3.04%, 2011: 3.24%, 2010: 1.87%, 2009: 1.37%), or 22 people (2012: 22, 2011: 18, 2010: 12, 2009: 10). As last year, 9 of them are under the senior TH category (>45 years old).

Our work station improvement policy has been maintained in 2013: chairs, articulating keyboards, wrist rests, ergonomic vertical mouse, split keyboards, foot rests, audio systems, portable PC support.

In the same way to that, internal communication has been enhanced – newsletters- a testimony movie has also been screened to our employees which allowed once again to raise awareness to disability; all these communications being available on the Human resources intranet.

Likewise, Prodware kept on outsourcing the organisation of cocktails marketing operations (mailing et folders mise sous pli) in protected warehouses à des ateliers protégés.

23.1.7. Equal opportunities (GRI CORE Indicator LA 14)

Regarding gender equality:

Ratio de Salaire Femme/Homme	2008	2009	2010	2011	2012	2013
Non-executive category	0.89:1	0.86:1	0.91:1	0.97:1	0.91:1	0.89:1
Executive category	0.87:1	0.89:1	0.86:1	0.87:1	0.93:1	0.91:1
Consolidation Women/Men wage ratio	0.88:1	0.875:1	0.89:1	0.92:1	0.92:1	0.90:1

According to INSEE, the average ratio (2010 DADS source) is of 0.81 to 1, or a 19.1% difference between women and men wages. Prodware therefore deal better with this issue than the national average for private-sector and semi-public companies.

In the framework of actions led in 2011 for gender equality, Prodware launched a program aiming at better managing maternity leaves while initiating a parenthood interview. This interview objectives are:

- Improve the family/professional lives reconciliation while easing the departure conditions and the return to the company while discussing on that matter.
- Neutralize the effects of leaves on careers.
- Understand the employee situation.

It has been launched at the beginning of 2014.

23.1.8. Generation agreement:

To follow up with the implementation of its first senior agreement, Prodware negotiated with its social partners the new « generation agreement » aiming at better meeting with legal obligations in that matter.

This agreement has various objectives:

- Easier employment and sustainable integration of the youths through a program adapted as well to training contracts as to internships (access to the company training program, integration path, welcome booklet, referents).
- Easier employment and preservation of seniors in the workforce (preservation of a hiring rate of 1% of the total recruitments, improve employment through training, working plans, second half career interview).
- Easier knowledge and skills sharing (tutoring and tutoring path).

24. ENVIRONMENTAL RESPONSIBILITY

Prodware endeavours to minimize its ecological footprint on nature while rather using sustainable actions and developing solutions offers for management and assistance to sustainable development.

In this voluntary effort of sustainable development, Prodware wishes to reduce its ecological footprint to the level necessary to its productivity.

Since 2012, in accordance with Grenelle 2, all companies employing more than 500 people have to produce carbon balance assessment. Prodware anticipated this requirement and produced its first carbon balance in 2009.

In our quest for progress, we plan to produce a yearly carbon balance and to systematically produce two carbon balance assessments in a row on the same scope, changing it only every two years, in order to meet with both changing and comparability needs.

There are around twenty official guidelines over the world to measure carbon footprints and emission factors and perform the calculations and conversions. As 80% of Prodware's activity is operated in France, we decided to use the guidelines published by the French Agency for Environment and Energy Management (ADEME).

All the employees of Prodware were involved in data collection, completing a questionnaire about their travel habits and also the composition of their breakfast.

RODWARE France Greenhous gas emissions	2009	2010	Evolution 2009/2010	2011	Evolution 2010/2011	2012	Evolution 2011/2012	2013	Evolution 2012/2013
Total CO2 emissions (T CO2 equ)	7 296	5 786	-20.70%	6 083	5.13%	6 134	0.84%	5 796	-5.51%
Workforce	686	641	-6.56%	770	20.12%	761	-1.17%	644	-15.37%
CO2 emissions per employee (T CO2 equ)	10.64	9.03	-15.13%	7.90	-12.48%	8.06	2.04%	9.00	11.65%
Revenue (€m)	81	78	-3.71%	94	21.12%	94	-0.21%	96	1.84%
CO2 emissions per €1 of revenue (grams CO2 equ)	90	74	-17.64%	65	-13.20%	65	1.06%	60	-7.22%

PRODWARE France Consumption of energy (gas and electricity)	2009	2010	Evolution 2009/2010	2011	Evolution 2010/2011	2012	Evolution 2011/2012	2013	Evolution 2012/2013
Total energy consumption (kWh)	1 596 874	1 015 976	-36.38%	970 216	-4.50%	1 133 977	16.88%	585 993	-48.32%
Revenue (€m)	81	78	-3.71%	94	20.86%	94	0.00%	96	1.84%
Energy consumption divided by revenue (kWh/revenue in €m)	19 748	13 049	-33.92%	10 311	-20.99%	12 051	16.88%	6 115	-49.26%
Workforce	686	641	-6.56%	770	20.12%	761	-1.17%	644	-15.37%
Energy consumption per employee (kWh/workforce)	2 328	1 585	-31.91%	1 260	-20.50%	1 490	18.26%	910	-38.94%
Property surface area (square metres)	8 213	7 938	-3.35%	8 515	7.27%	9 128	7.20%	9 970	9.22%
Energy consumption per square metres (kWh/total surface area in square metres)	194	128	-34.17%	113.94	-10.98%	124	9.03%	59	-52.69%

25. ECONOMIC RESPONSIBILITY

Eco friendly products offer



Most of Prodware assisting products and services which are on the market under the GreenITude® brand have an economic and ecologic profitability. This is due to:

- Improved flows management,
- Optimised energy consumption of computer hardware,
- Paperless documentation,
- Flexibility and upgradability of our management solutions to meet our clients' needs.

The outcome in 2013 of a management and reporting software adapted to Sustainable development strategy will allow companies to formalize the production of their annual extra financial statements.

Besides GRI guidelines, Global compact and ISO 26000, Prodware will propose some samples of sustainable development reporting which could be customized for each business activity.

This new software offer Sustainability Manager Suite benefited from 3 years of development in France supported by public authorities, among which Oséo, ADEME and the Innovation department of the Industry ministry, which have co-financed 50% of this project in the framework of the EcoTech 2009 call.

26. PRODWARE, AN INNOVATIVE AND CITIZEN COMPANY

Prodware, innovative company, joined the OSEO Excellence club in 2010 with 2000 other leading companies.

After 3 incubation years and the outcome of our software dedicated to supra financial data collection and to an annual Sustainable development report edition, we try to assist and accelerate the sustainable transition of our peers, middle-sized companies and services companies, which felt less concerned or less inclined to make some efforts.

We work every day to furrow so that other companies commit themselves more efficiently, combining savings on resources, technological progress, economic profitability, community investment, and individual and corporate responsibility in a virtuous and eco-friendly dynamic.