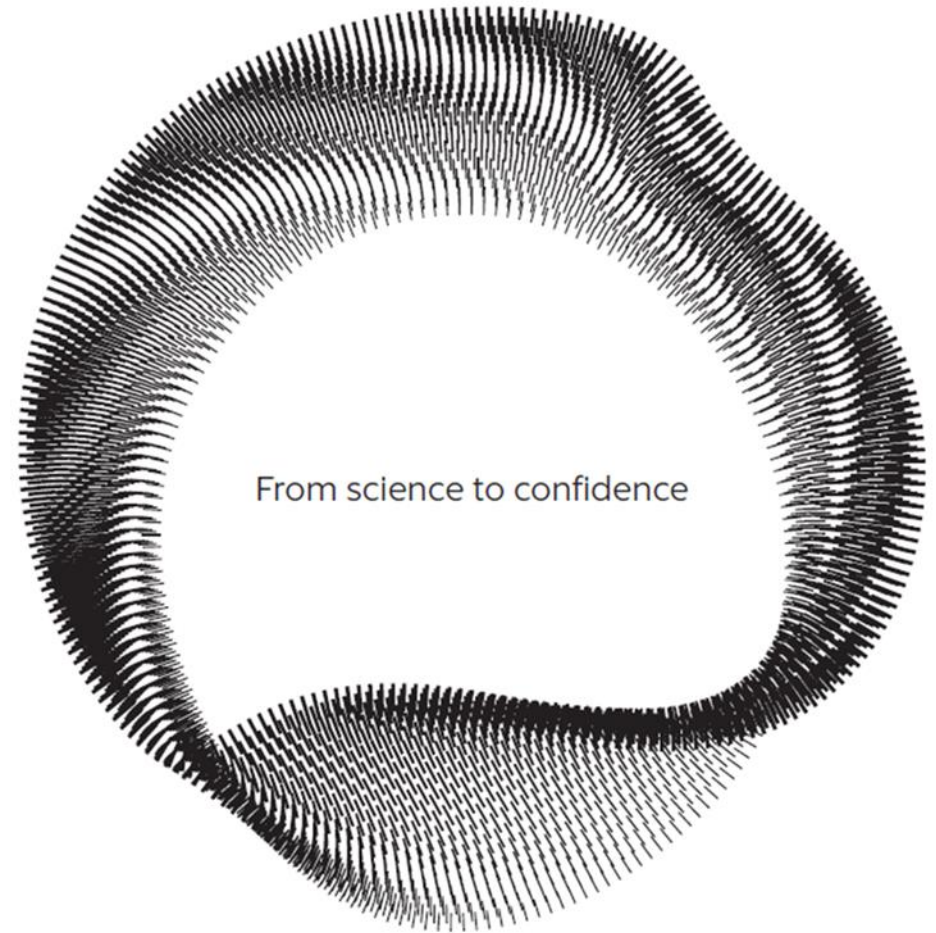


Communication on Progress

2019

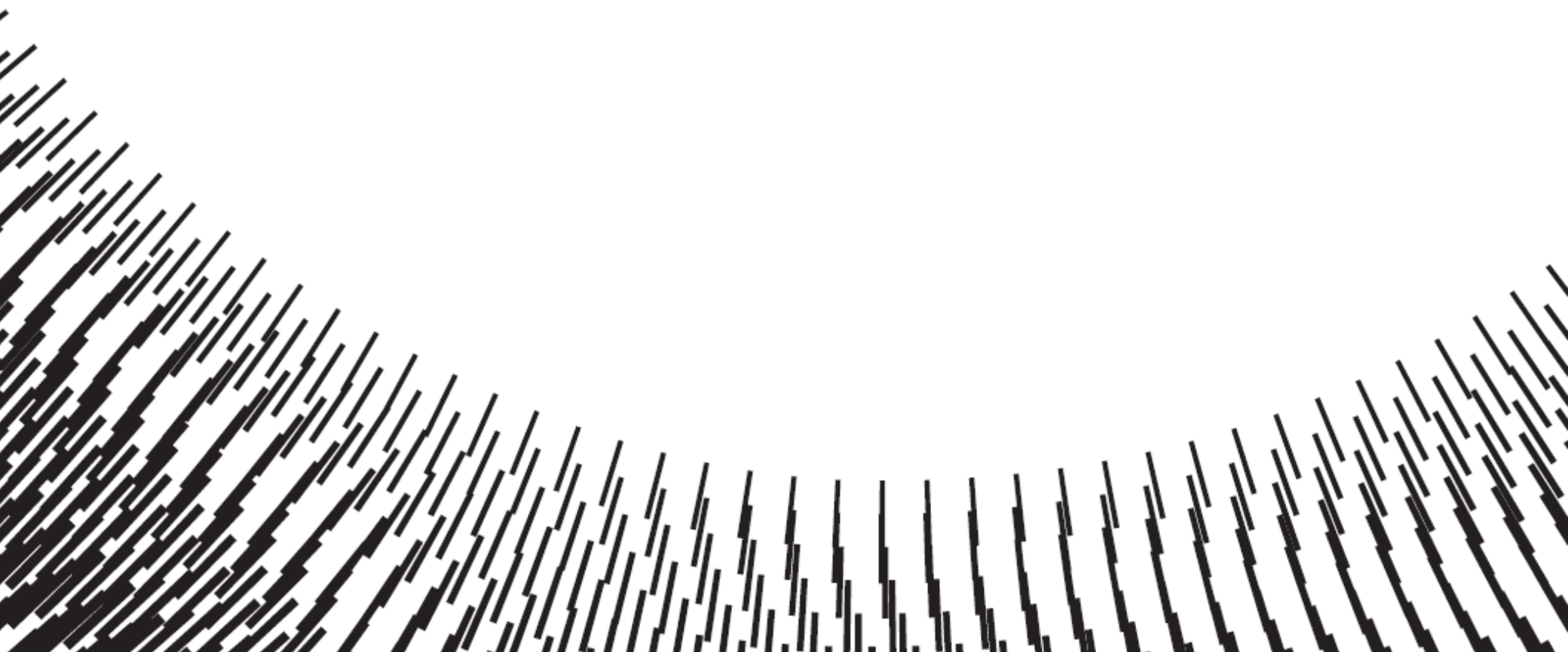


COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Summary

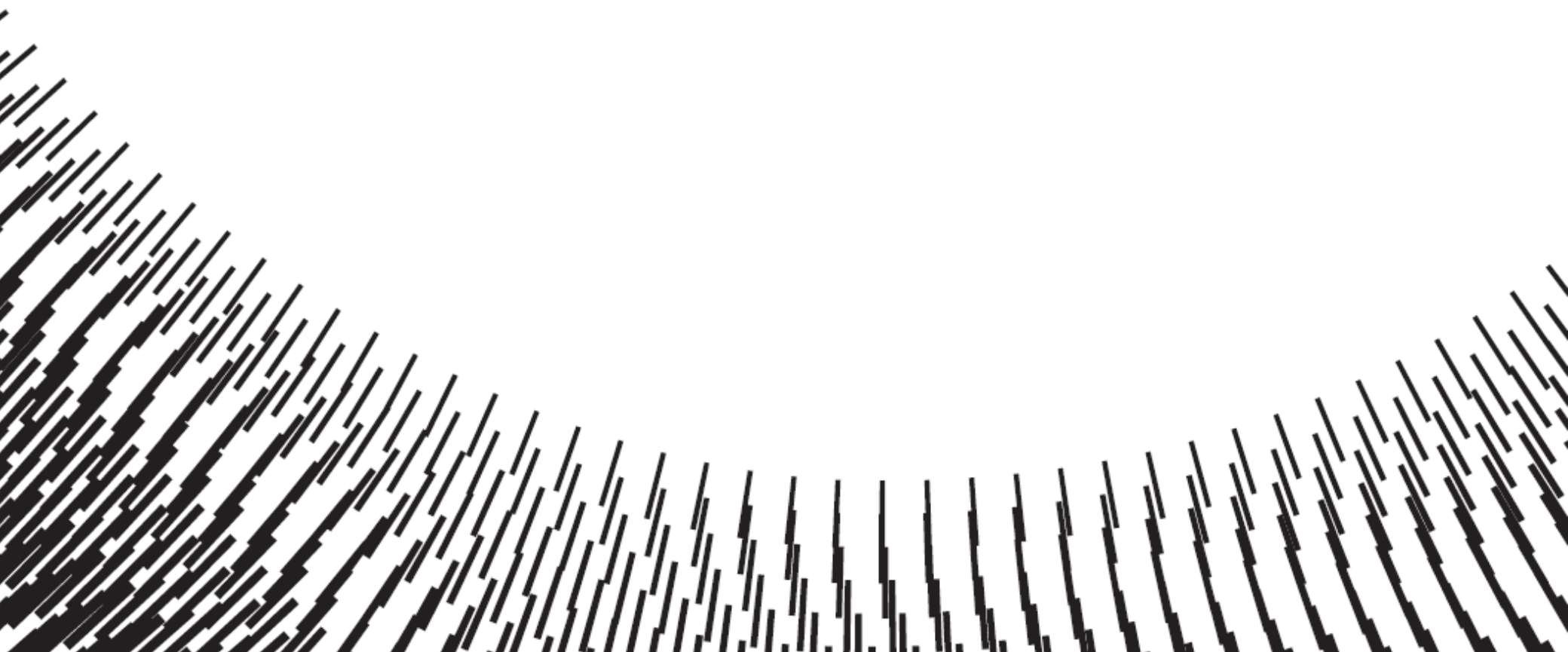


Summary

- Company presentation
- Renewal of management commitment
- Human Rights
- International Labour Standards
- Environment
- Anti-Corruption
- Indicators



Company presentation

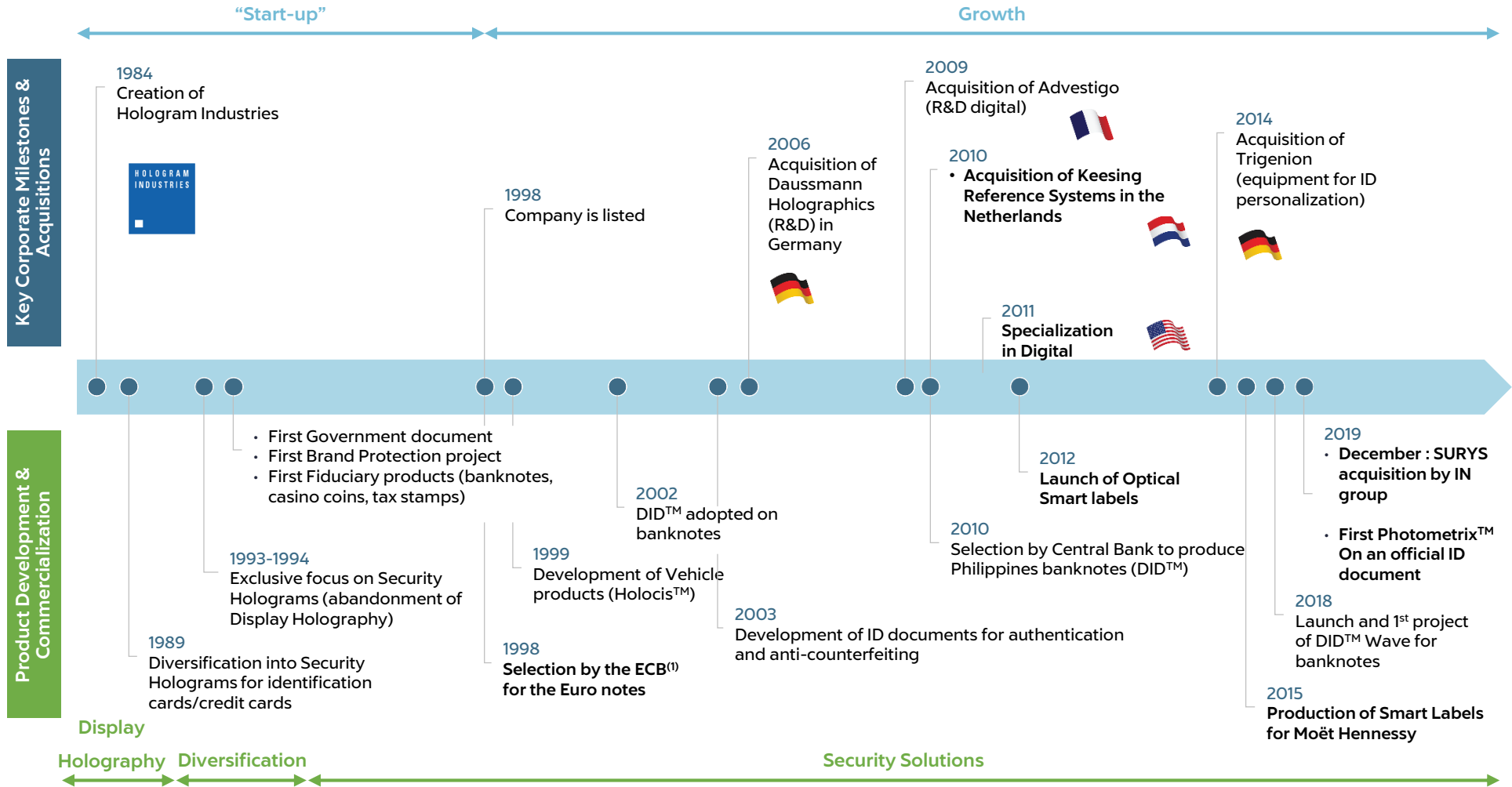


History of SURYS: a 35-year journey

« This journey started nearly three decades ago when, inspired by the rich potential of holographic science and propelled by our relentless quest for innovation, we began to design solutions to the world's authentication challenges. »

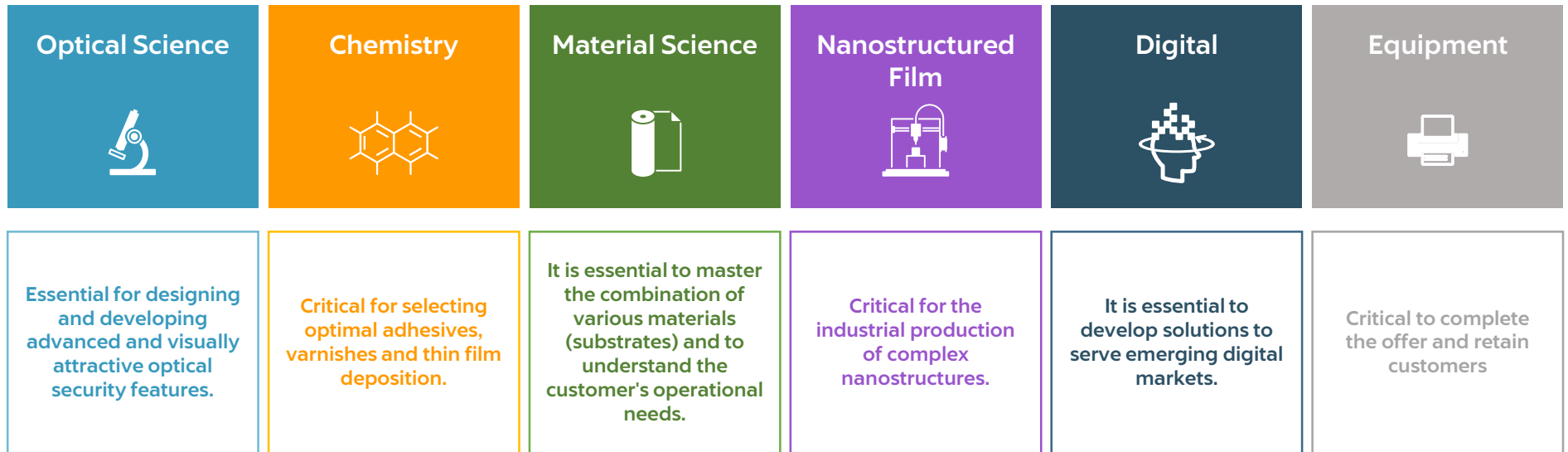


SURYS Heritage

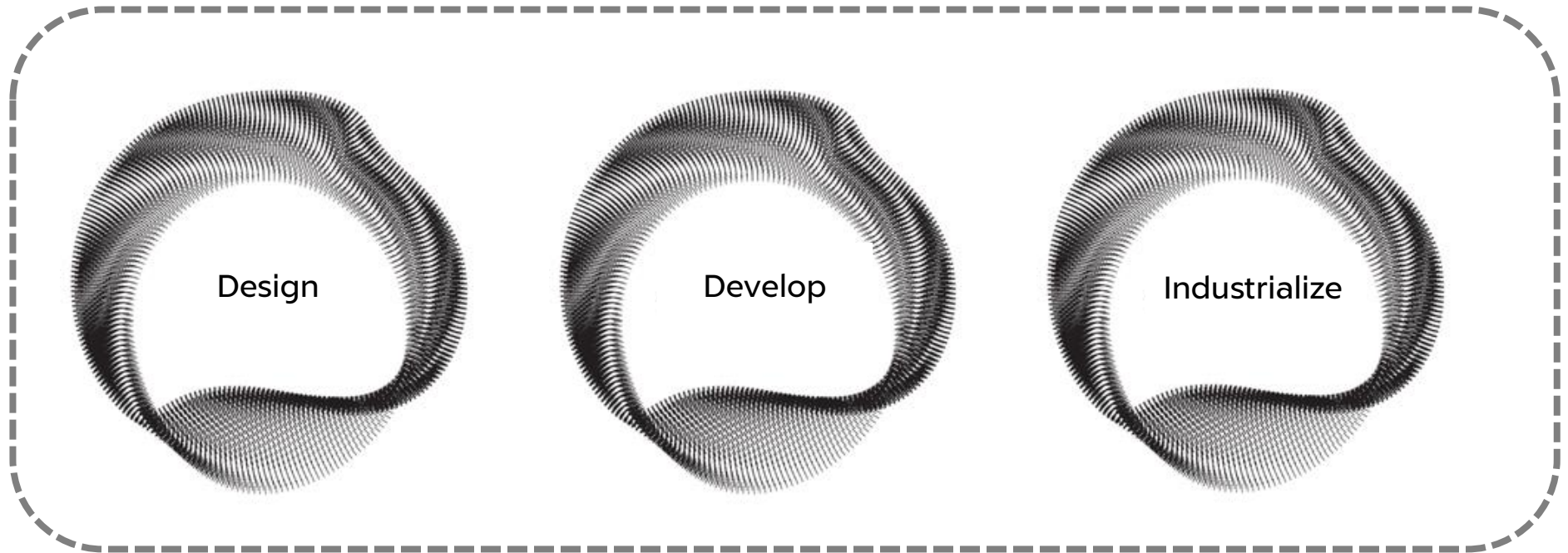


Technology pillars of SURYS expertise

- Investment in R&D (7 to 10% of revenues are reinvested each year)
- 40 researchers, engineers and et technicians
- 4 internal laboratories
- Collaborations and joint labs with French academics



What are SURYS' activities?



4 areas of expertise



Identity

Solutions that are difficult to counterfeit and ensure the simple authentication of identity, travel and driver's license documents



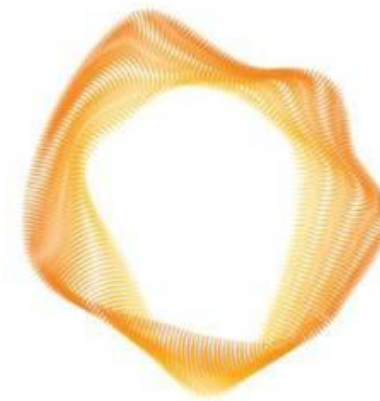
Vehicles

Solutions for authentication and traceability of registration documents, car taxes, car plates...



Brand and Products

Combining optical and computer sciences, a wide range of visual and automated authentication and traceability solutions based on the use of smartphones.



Fiduciary

Thanks to our optical security features, banknotes are easy to authenticate visually and without ambiguity

A worldwide presence

390
employees
worldwide

€93m of
Turnover in 2018

90%
of the business is
international

10%
is reinvested
in R&D



Present
in
127
countries



Bussy-Saint-Georges, France
Head office, Production site
12,000 m²

Our certifications



Quality



Environment



Health & Safety

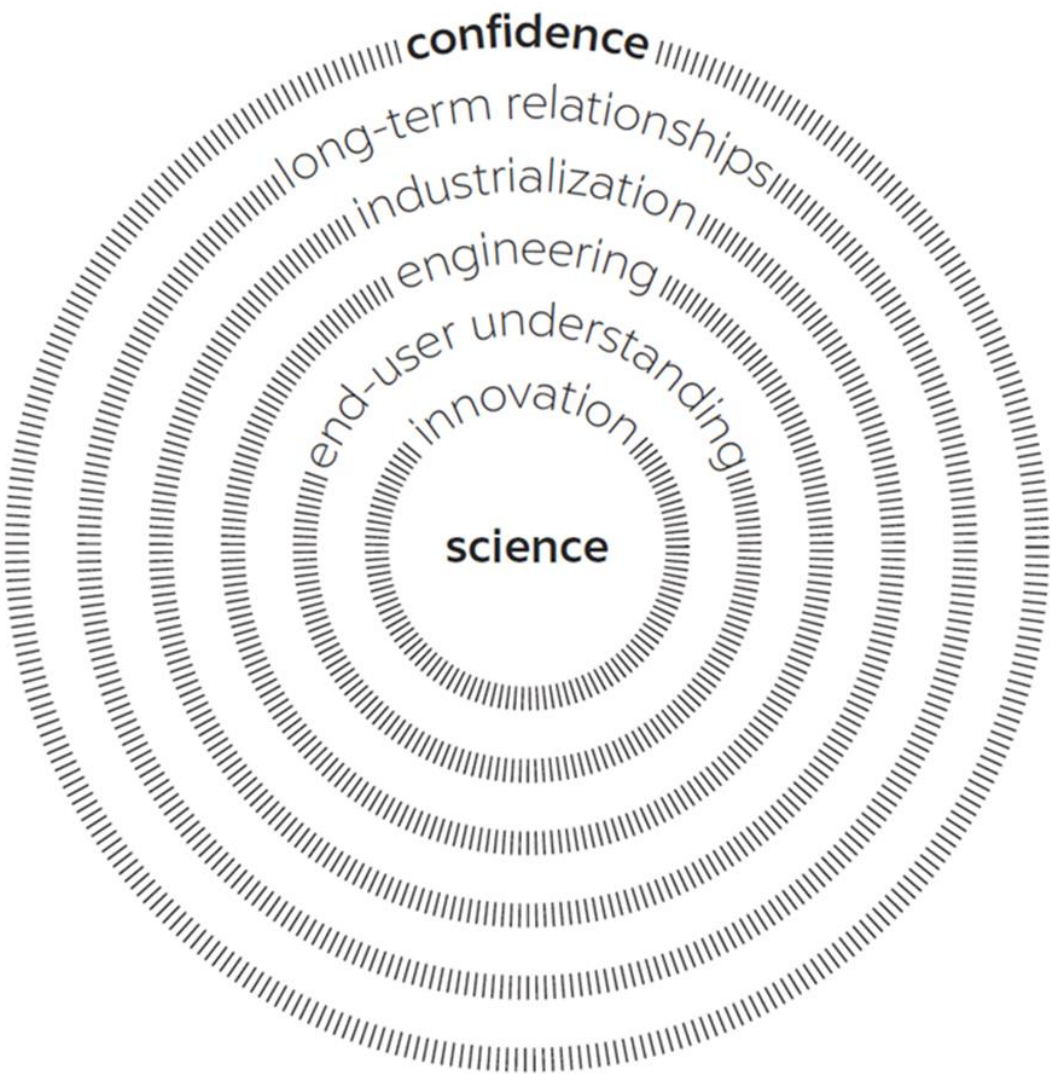


Safety Printing

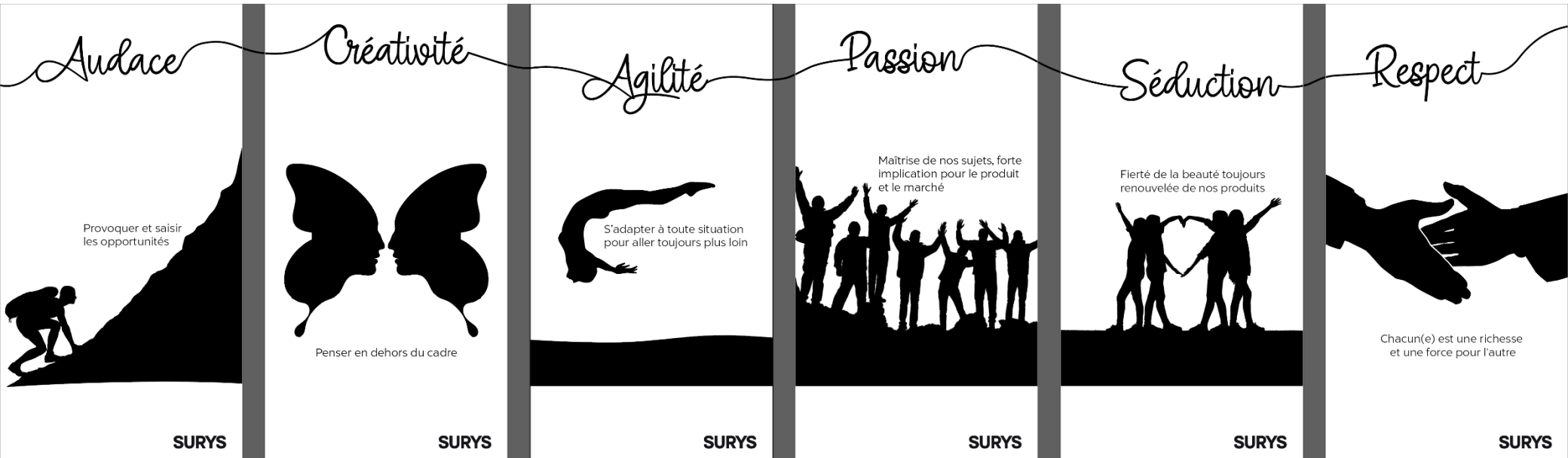


Business ethics

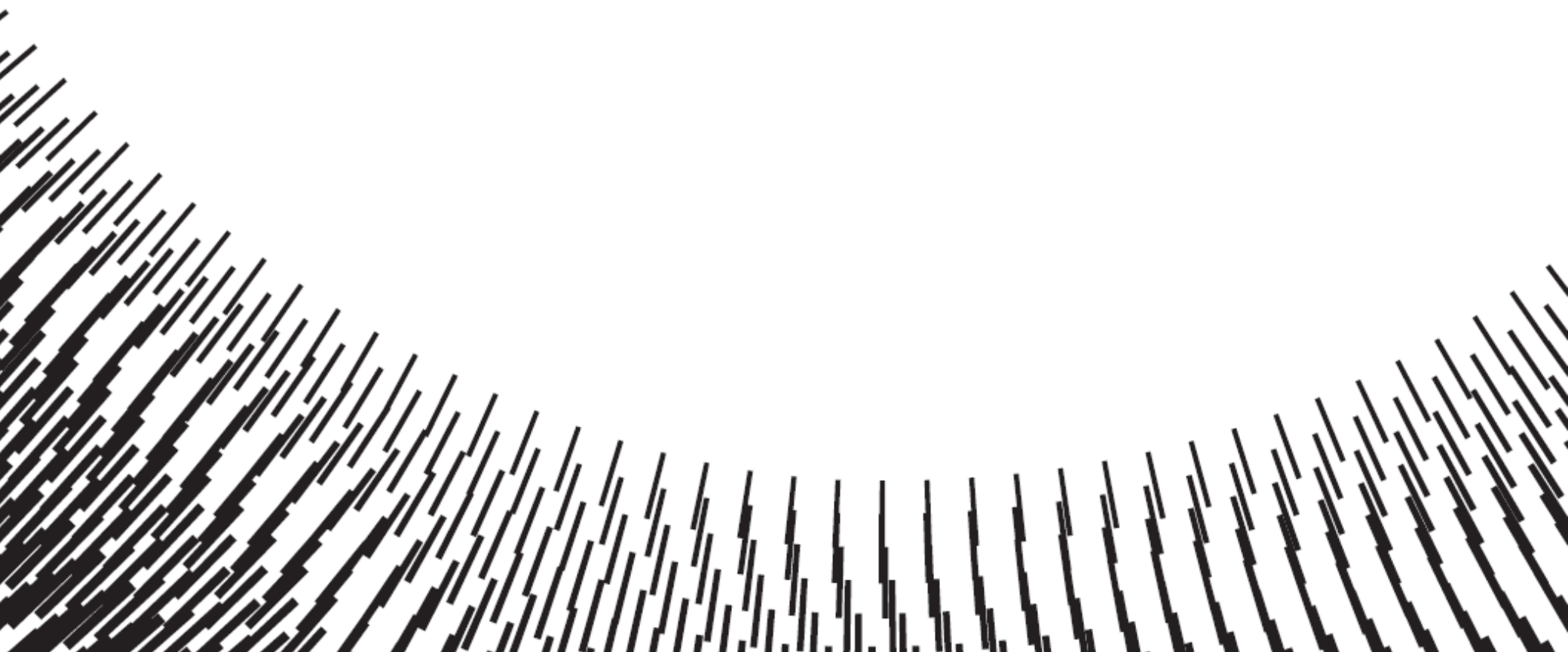
From science to confidence we manage your journey



Our values



Renewal of management commitment



SURYS is a french company which today employs more than 400 people worldwide. Since 1984, our solutions have been helping to build a safer and more sustainable world on a daily basis in more than 127 countries.

Committed to the values advocated by the Sustainable Development Goals defined by the UN and a loyal member of the Global Compact organization, our CSR approach is an integral part of our culture.

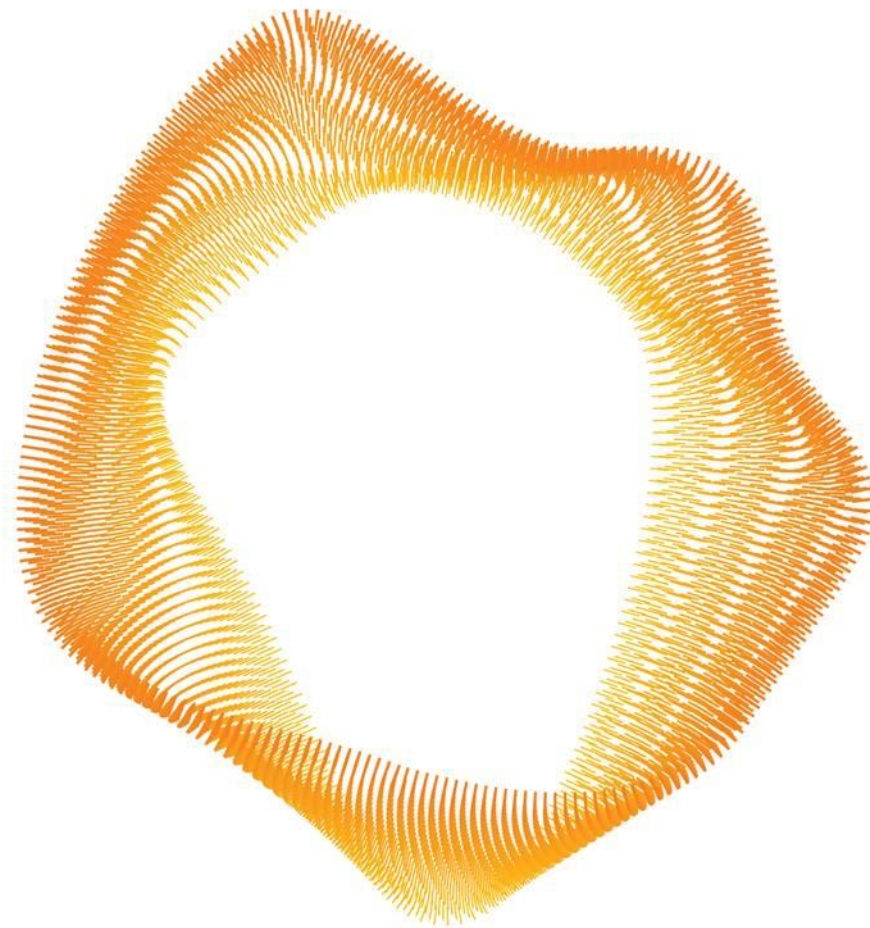
Our employees are all passionate, bold and honest. Each of them is working to meet a major challenge: the fight against crime and counterfeiting.

As Chief Executive Officer, I renew SURYS' voluntary commitment to sustainable development and the application of the 10 fundamental principles of the United Nations Global Compact.

Fabio Tremolada – Chief Executive Officer



Human Rights



Respect for human rights at Surys

Surys has not received any complaints concerning the respect of human rights.

| | 2018 | 2019 |
|----------------------|------|------|
| Number of complaints | 0 | 0 |

SURYS is proud to show its commitment to justice, human rights, fundamental freedoms and its determination to contribute to a safer world.

"IT IS IN
YOUR
hands
TO MAKE A
BETTER *world*
FOR ALL WHO
live IN IT"

NELSON MANDELA

Alerting device

The purpose of the procedure for collecting alerts is to encourage the reporting of information when a crime, offence or behaviour contrary to morality, law or regulation is detected.

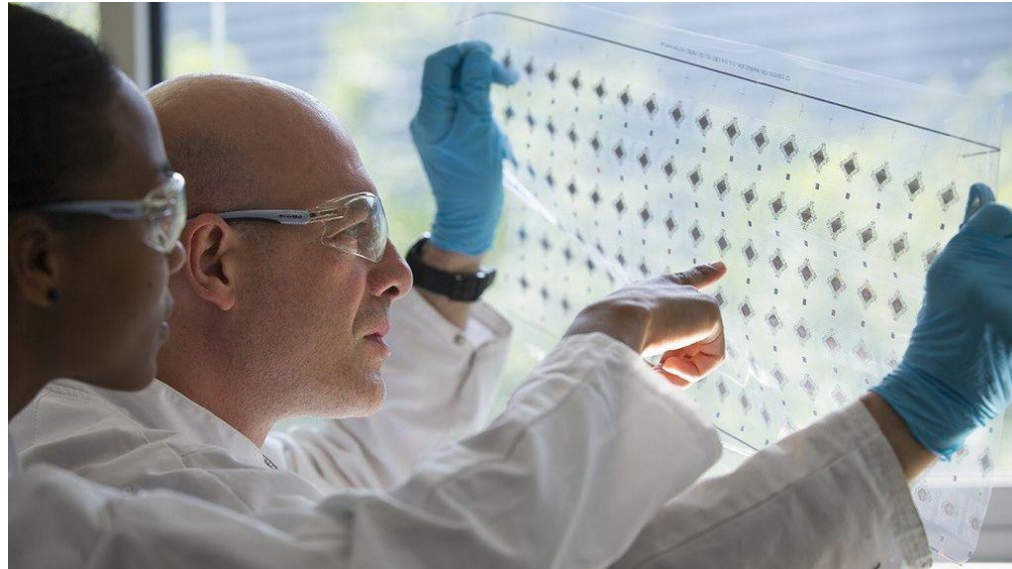
This procedure ensures the confidentiality of the victim and the impartial treatment of his report. SURYS has set up an email address to collect and process employee alerts in accordance with the procedure in force.

With the SAPIN 2 (2016) law, companies must set up a process to report "a crime or delict, a serious and manifest violation of an international commitment duly ratified or approved by France, an unilateral act of an international organization taken on the basis of such an undertaking, the law or the regulations, or a serious threat or prejudice to the general interest, of which it has personal knowledge».

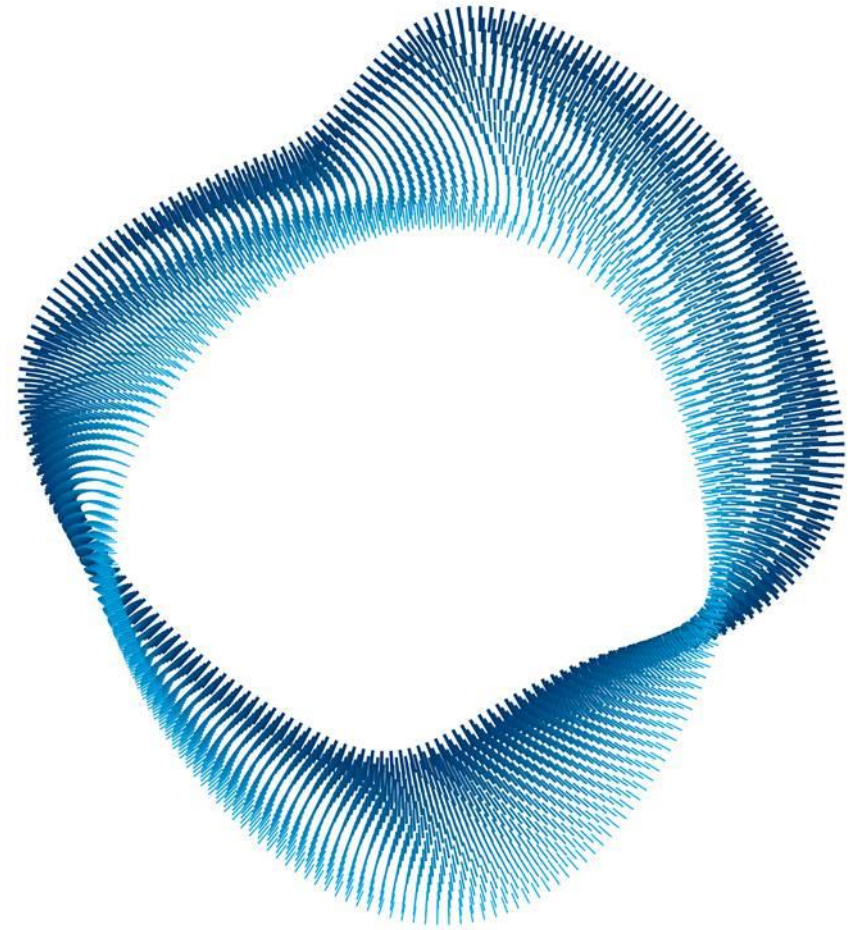
SURYS : a major actor in the promotion of respect for human rights

Indeed, with its core business, SURYS creates an innovative technology to be better protected against:

- fraud;
- counterfeiting;
- and even terrorist attacks, in particular by the protection of identity documents.



International Labour Standards

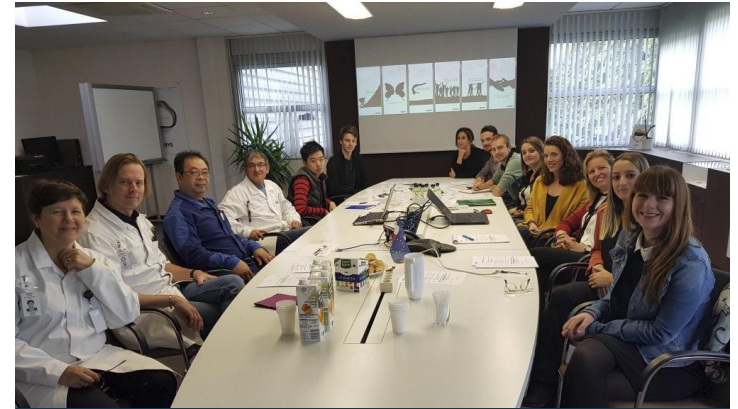


Integration of new entrants

The day of integration: through this day new talents are immersed in our businesses and our company's values.

Once a month the newcomers are gathered together to share a breakfast and listen to a speech by the General Manager. Each new employee has a mentor which will be the designated chaperone during the integration period.

In 2019, 7 newcomers benefited from the integration day.



First day of integration at SURYS

Integration of new entrants

The integration process: An individual and personalized program is proposed by the Human Resources Department. The purpose of this program is to create interaction between the expert and new entrants. In addition it fosters understanding of the roles and responsibilities of each person in the company.



All new entrants have an HSE and safety integration: two key aspects at SURYS.

The QHSSE politic

SURYS

QUALITY HEALTH SAFETY SECURITY ENVIRONMENT POLICY

SURYS is committed to a sustainable development policy based on social progress, environmental protection and quality of the services and products provided.

Each of us, at our level, applies and encourages the respect of our commitments.

Fabio TREMOLADA, Chief Operating Officer, August 2018

Quality

1- Design and supply safe, innovative and compliant products

2- Achieve Customer Excellence through on-time delivery, high quality services and products

Health / Safety

3- Promote a health and well-being approach at work

4- Improve security at the workstations

Environment

5- Ensure environmentally friendly treatment of discharges (atmospheric, water, waste)

6- Limit the impact of activities on natural resources and site

Security

7- Eliminate the risks of malicious actions

8- Continuously improve the prevention of security risks

The occupational risk assessment

According to the regulations, our occupational risk assessment is updated :

- Annually;
- After each incident;
- After process modification.

It is constantly updated by feedback from audits, incident reports and proactive risk analyses, which help to define the action plan for the coming year.

Interference risk management is a daily challenge covered by robust prevention plans and safety protocols.

Safety audits



SURYS has decided to set up in 2020 a specific HSE audit program in addition to QHSE audits. The purpose of safety audits is to check if safety rules are understood and applied by all and to identify possible improvements.

Operational communication

SURYS communicates on HSE subjects to its team by different means :

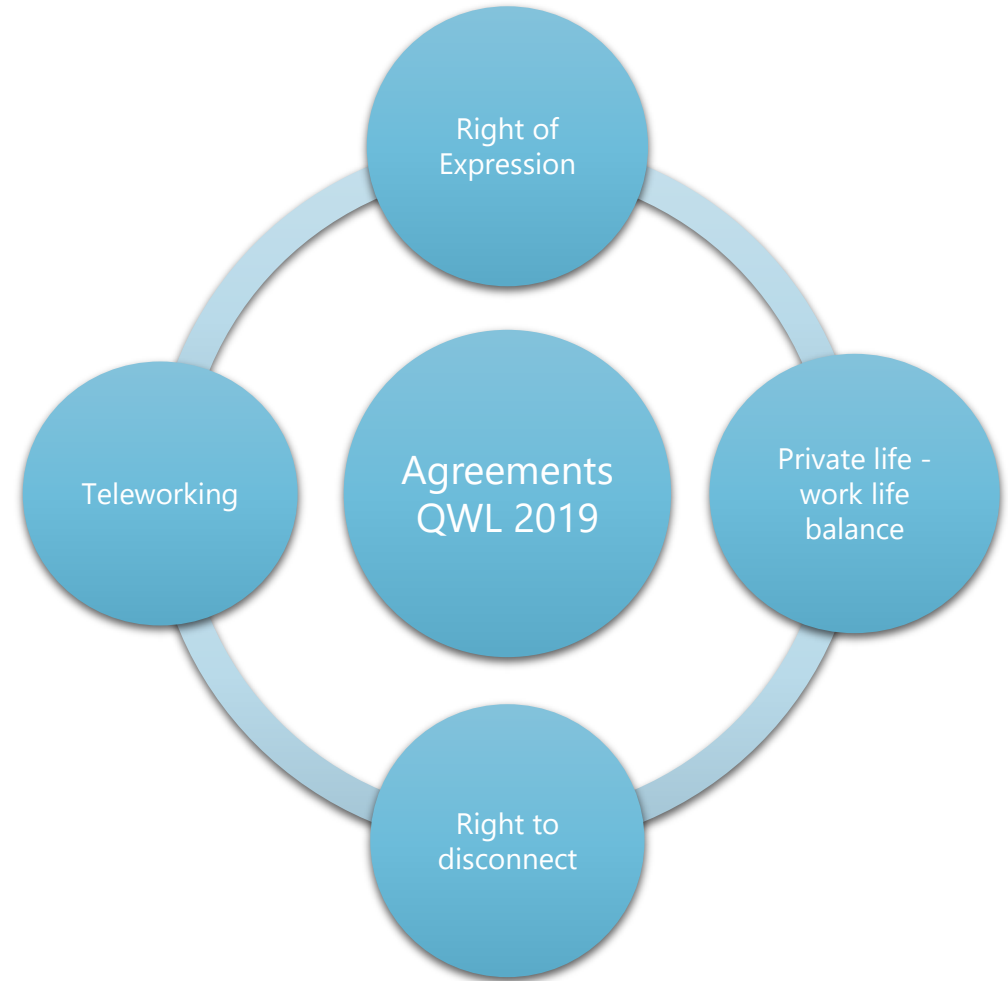
- Boards in production;
- 1/4h HSE monthly;
- Daily presence in the field.



Quality of Working Life (QWL) Agreements

Feeling good

Each year, Quality of Working Life Agreements are negotiated with union stewards with the aim of concluding and signing agreements to ensure the preservation of employees' well-being



Surys team forum

Several times a year, employees meet for a meal to discuss with management the problems encountered on a daily basis in the various sectors.

Suggestions for improvement are then forwarded to action managers.



Company events

SURYS to federate its collaborators (I don't know what this means; I think you want something different in English) organizes various events during the year:

- Annual evenings
- « Galette des Rois »
- Chinese New Year
- Cabécou Party
- Christmas raffle



Cabécou Party, September 2018

SURYS also has a football team.

Other events can be organized on an ad hoc basis depending on the current news.

Social diagnosis

In 2018, SURYS undertook a social diagnosis of all its employees.

Thanks to the results of the survey, working groups were initiated leading to the development of short and medium-term action plans.

Some numbers:

- 293 people consulted
- 60% participation rate
- 9 areas for improvement

Equality of treatment

SURYS has been pursuing a policy of equal pay for several years. Thanks to this policy SURYS obtains a score of 84 points out of 100 in 2019 on the index of professional equality between women and men.

Actions are being taken to improve this score:

- Encouraging internal promotion;
- Tend towards gender balance in female, or male, dominated services.

Disabled workers

A disabled workers' ambassador was present at the Bussy-Saint-Georges factory once-a-month for several months.

The TH ambassador accompanies and advises the employees through permanent offices (not sure what this means) to assist them in their administrative procedures and answer their questions.



Made In **TH** SAS

Exceptional purchasing power bonus

The company decided to grant a bonus to employees who received a remuneration below the amount equivalent to twice the amount of the SMIC.

In 2019, this bonus was 600 euros. Exempt from employee contributions, it increases the purchasing power of SURYS employees.



Creating partnerships

SURYS wants to create and maintain partnerships with several schools in order to recruit and detect talents. Several trainees are present in the premises of the company.

école
normale
supérieure
paris—saclay



ESIEE
PARIS

SURYS also participates in job forums to attract talented candidates and expert.

Creating partnerships

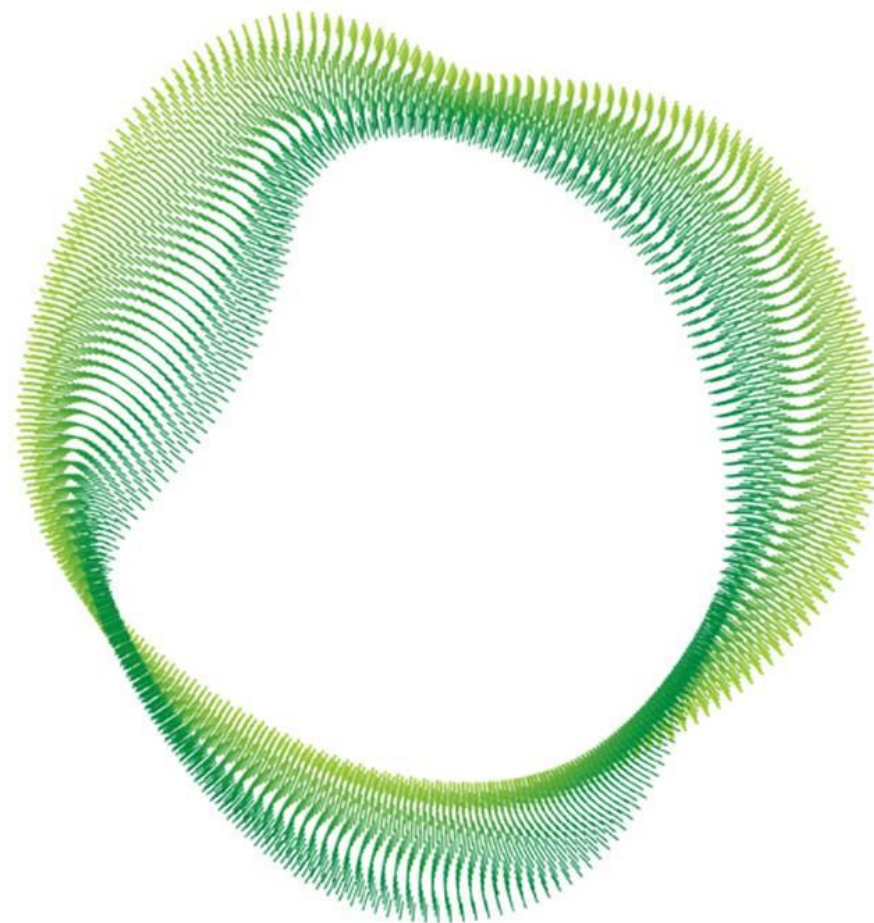
SURYS has made a donation to Simplon school.

Simplon is a network of solidarity and inclusive factories that offer free training in digital technology in France and abroad.

The school mainly trains job seekers.

SIMPLON
.CO

The environment



Energy component

SURYS is committed to highlighting the control of its energy consumption. From 2020, a project aimed at reducing our energy bill by 10% compared to 2019 will be started and will be articulated around several aspects:

- Identification of deposits;
- Financial package for investments;
- Implementation of technological solutions adapted to our problems;
- Measurement and follow-up of energy savings.



Aqueous discharge control

For several years, SURYS has been using substantial financial and human resources to reduce its impact on the aqueous compartment linked to its activity:

Setting up and daily management of an industrial water treatment plant in the historic building

Installation and daily management of an industrial water treatment plant in the new building

Installation in 2020 of an automated cleaning station for printing tableware, enabling us to reduce our consumption and aqueous discharges on the one hand and improve working conditions on the other.

Atmospheric emissions

SURYS improves its air treatment devices from year to year, in particular by installing and operating a thermal oxidizer or a washing tower to neutralize alkaline effluents.

Thanks to these installations, SURYS controls the impact of its manufacturing process on its environment.



Accidental spills

An accidental spill is an accident that has an impact on the environment.

| | 2018 | 2019 |
|-----------------------------|------|------|
| Number of accidental spills | 0 | 0 |



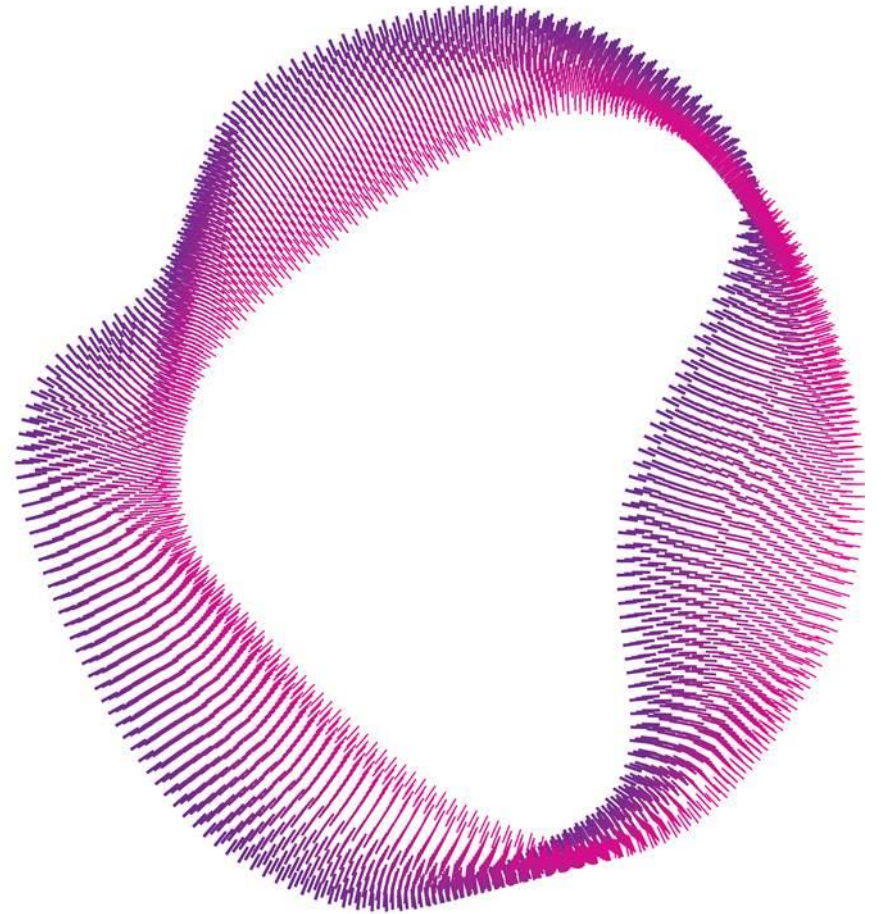
Substitution of the most hazardous products

The technical teams in 2019 have substantially contributed to a major success in terms of chemical risk prevention. Indeed, they substituted one of the most risky products used on the site, the cornerstone of the manufacturing process.

The technical teams continue to study future substitution by prioritizing their work on the basis of the chemical risk analysis.



Anti-Corruption



Compliance & Ethics

Our values – integrity, trust, honesty, and transparency – reflect our continued commitment to ethical business practices and legal compliance. SURYS applies a zero-tolerance policy on corruption in all forms.

We take a strong stand against bribery, kickbacks, and facilitation payments, and promote a culture of excellence in all our relationships with third parties with the highest level of commitment with regards to ethical rules.

All employees and business partners must conduct themselves in accordance with the rules and the law and must have knowledge of corruption-related practices, especially in their relationship with government officials and public agents, towards which most of national and international laws devote particular attention.

All employees acting on behalf of SURYS must be free from conflicts of interest that could influence their judgment or their objectivity in conducting business activities.

In 2018 and in 2019 none corruption incident was registered.

The Banknote Ethics Initiative



BnEI accreditation

The Banknote Ethics Initiative (BnEI) is an initiative established to provide ethical business practice, with a focus on the prevention of corruption and on compliance with anti-trust law within the banknote industry. As a founding member of the IHMA (International Hologram Manufacturers Association), SURYS actively cooperates with the world's leading hologram companies to maintain the highest professional standards and the highest principles of business ethics since 1993. Today, SURYS is proud to commit to the BnEI global ethics initiative that reflects our values of integrity, trust, honesty, and transparency.

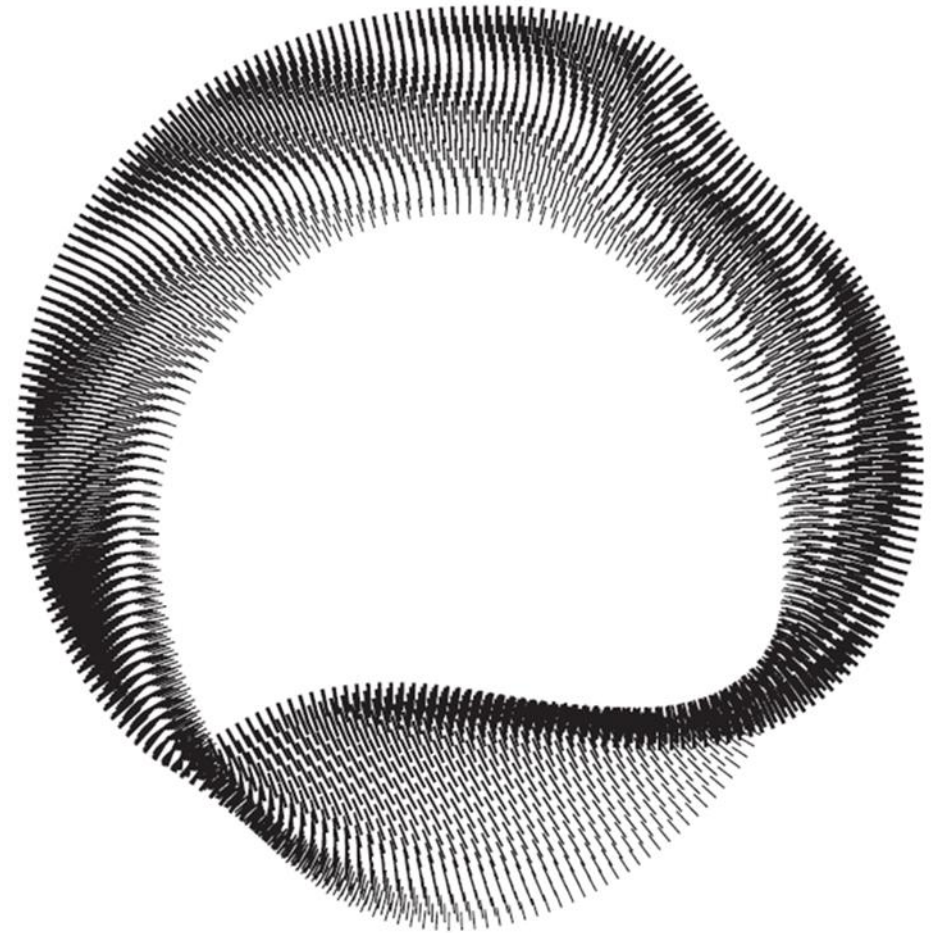
Code of Business Conduct

«Corruption is illicit retribution or any other behavior towards persons with responsibilities in the public or private sector, who contravenes the duties they have by virtue of their status as public servants, employees of the private sector, independent agent or other such relationship and which is intended to provide undue advantages of any kind whatsoever, for themselves or for a third party.»

It is prohibited to pay, offer or agree to pay bribes or grant undue advantages to a public official and/or a private person in order to obtain preferential treatment or to influence the outcome of a negotiation in which the Group has an interest. If an employee pays bribes in the course of his or her professional activities, he or she may be subject to criminal sanctions and the termination of his or her employment contract.

These measures are described in the company's Code of Business Conduct. In particular, it specifies that only gifts or benefits of low value, which are not paid in cash and are in accordance with current business practice and not contrary to law or regulations, may be accepted. SURYS encourages its employees to donate the gifts received to the CSE for the organization of the annual tombola.

Indicators



Indicators in the report

| Indicators | 2018 | 2019 |
|---|----------------|------|
| Number of complaints concerning the respect of human rights | 0 | 0 |
| Integration of new entrants with the integration day | 0 | 7 |
| Score on equality of treatment | Not applicable | 84 |
| Number of accidental spills | 0 | 0 |
| Ethic accreditation | 1 | 1 |

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