Trust in a connected world

SUSTAINABILITY REPORT 2015
Welcome!

...to our seventh Sustainability Report, which mainly relates to our activities in 2015. We hope you find it informative. As part of our commitment to transparency, we are committed to sharing this with you and we look forward to receiving your feedback.

<table>
<thead>
<tr>
<th>ABOUT GEMALTO</th>
<th>02</th>
</tr>
</thead>
<tbody>
<tr>
<td>This report and how to use it</td>
<td>03</td>
</tr>
<tr>
<td>CEO's message</td>
<td>04</td>
</tr>
<tr>
<td>Who we are</td>
<td>05</td>
</tr>
<tr>
<td>What we do</td>
<td>06</td>
</tr>
<tr>
<td>Where we operate</td>
<td>07</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OUR APPROACH TO SUSTAINABILITY</th>
<th>08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our values and ratings</td>
<td>09</td>
</tr>
<tr>
<td>Our performance overview</td>
<td>10</td>
</tr>
<tr>
<td>Our materiality analysis</td>
<td>11</td>
</tr>
<tr>
<td>Our materiality matrix</td>
<td>12</td>
</tr>
<tr>
<td>Managing sustainability</td>
<td>13</td>
</tr>
<tr>
<td>Engaging with our stakeholders</td>
<td>14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BUSINESS &amp; CUSTOMERS</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>16</td>
</tr>
<tr>
<td>Data security</td>
<td>17</td>
</tr>
<tr>
<td>Our customers and innovation</td>
<td>19</td>
</tr>
<tr>
<td>Managing our business</td>
<td>21</td>
</tr>
<tr>
<td>Our supply chain</td>
<td>22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PEOPLE</th>
<th>24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>25</td>
</tr>
<tr>
<td>Our approach to Human Resources</td>
<td>26</td>
</tr>
<tr>
<td>Attracting the best people</td>
<td>27</td>
</tr>
<tr>
<td>Developing our people</td>
<td>28</td>
</tr>
<tr>
<td>Looking after our people</td>
<td>29</td>
</tr>
<tr>
<td>Respecting our people</td>
<td>30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GOVERNANCE &amp; COMPLIANCE</th>
<th>31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>32</td>
</tr>
<tr>
<td>Corporate governance</td>
<td>33</td>
</tr>
<tr>
<td>Ethical conduct</td>
<td>34</td>
</tr>
<tr>
<td>Control and compliance</td>
<td>35</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SOCIETY &amp; COMMUNITY</th>
<th>36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>37</td>
</tr>
<tr>
<td>Data privacy and confidentiality</td>
<td>38</td>
</tr>
<tr>
<td>Solutions with a social purpose</td>
<td>39</td>
</tr>
<tr>
<td>Working with our communities</td>
<td>41</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENVIRONMENT</th>
<th>42</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>43</td>
</tr>
<tr>
<td>Eco-products and solutions</td>
<td>44</td>
</tr>
<tr>
<td>Preserving natural resources</td>
<td>45</td>
</tr>
<tr>
<td>Our response to climate change</td>
<td>46</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OUR PERFORMANCE</th>
<th>47</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance indicators</td>
<td>48</td>
</tr>
<tr>
<td>Glossary</td>
<td>53</td>
</tr>
<tr>
<td>Contact us</td>
<td>55</td>
</tr>
</tbody>
</table>
This report and how to use it

Report scope and profile
This report describes our sustainability performance in the calendar year 2015. It covers all Gemalto’s activities and sites unless otherwise stated. You can find details of Gemalto’s management structure and countries of operation in our Annual Report 2015.

We report on a yearly basis. You can access reports from previous years at: www.gemalto.com/companyinfo/sustainability/documents

Change in scope
In 2015, Gemalto integrated the former SafeNet and Trubacquired companies. Social data has been updated accordingly; training, safety and environmental data will be updated next year.

Energy data and emissions reporting
We use an electronic process to gather our data. In the majority of countries, energy usage data is based on invoices from our energy suppliers. In some countries, these bills are based on estimated readings. Where data does not exactly match our reporting period, we forecast this information. For sites where energy invoices are unavailable, we extrapolate this information based on typical site consumption.

Global Compact
We are a long-term signatory to the United Global Compact. This report represents our annual Communication on Progress. For questions regarding this report contact us at: http://communication.gemalto.com/sustainability-contact-us/

REPORT PUBLISHED MAY 20, 2016
CEO’s message

Providing trust for everyone

“...data security as everyone’s responsibility. We have the same dedication for protecting individuals’ data as that of our clients.”

OLIVIER PIOU
CHIEF EXECUTIVE OFFICER

Our growing role in society

Gemalto enables its customers to provide a vast range of trusted services for billions of people. It’s a mission and responsibility we take very seriously. As digital technology plays an ever-growing role in contemporary life, the way we keep data safe and secure is an increasingly complex challenge. And we’ve all seen what happens when sensitive data are unexpectedly made public. Be it on a local or a global scale, a data security breach doesn’t just impact businesses – it can also have a profound effect on individuals’ lives. Depending on the kind of data and people involved, the experience can range from inconvenient to traumatizing or even dramatic.

This is why I see data security as everyone’s responsibility. And why we have the same dedication for protecting individuals’ data as well as businesses’ and governments’ information.

Reviewing our priorities

With the maturity gained in the past years, we challenged ourselves on whether our global stakeholders were expecting something different from us, due to our unique position in digital society.

So we carried out a broad assessment to understand the sustainability-related issues and challenges that matter most to our business and our stakeholders. I would like to thank every one of the 1,200 people who participated in this survey.

The insights we gained have been very encouraging – with an amazingly strong alignment between the different groups of internal and external stakeholders on what they view as priorities for Gemalto. We now have an even more robust foundation for our sustainability approach.

Perhaps unsurprisingly given our role, our stakeholders consider that data security and data privacy are key topics for Gemalto to contribute. These are followed by subjects relating to the way we run our business, including crisis management, R&D and talent development. Although we always gave these topics considerable strategic importance internally, we did not previously afford them an equivalent prominence in our communications.

So we used this insight to rebalance this report. And, probably due to our limited footprint and ability to influence, expectations for our environmental efforts came in lower than we previously put these. We will evolve accordingly.

Understanding our role for end-users

Our aim is to be a constructive, robust long-term partner for all our stakeholders, including our customers’ end-users. The business world tends to focus on the protection of its own information and data. I believe there is more we can achieve to explain what is important for consumers, highlighting what we can all do to protect them and their data, too. For Gemalto, this will be from now on an important challenge, and we will endeavor to continue to serve our clients by protecting their own resources and also the data they handle for other people.

Olivier Piou Chief Executive Officer
Who we are

Gemalto is a global leader in digital security, bringing trust to an increasingly connected world. We deliver easy-to-use technologies and services to businesses and governments, authenticating identities and protecting data so they stay safe and enable services in personal devices, connected objects, the cloud and in between.

Our solutions are at the heart of modern life, from payment to enterprise security and the Internet of Things. We authenticate people, transactions and objects, encrypt data and create value for software – enabling our clients to deliver secure digital services for billions of individuals and things.

END-USERS BENEFIT FROM OUR SOLUTIONS

NEW PATENTS FILED IN 2015

COUNTRIES WHERE OUR CLIENTS ARE BASED

NATIONALITIES OF OUR EMPLOYEES

R&D ENGINEERS

EMPLOYEES

ALL NUMBERS ARE AS AT 31 DECEMBER 2015

+2bn

2015 REVENUE

€3.1bn

107

180+

117

3,000

14,000+

Who we are

Gemalto Sustainability Report 2015
What we do

We create the secure software and technologies needed to bring trust to an increasingly connected world. They are based on two essential, interlocking processes: authenticating people and things, by embedding secure software in personal devices and in connected objects at the 'edge' of the network; and protecting data by encrypting it in servers at its 'core'.

We develop secure software

- WE AUTHENTICATE IDENTITIES AT THE EDGE OF NETWORKS
- WE PROTECT DATA AT THE CORE OF NETWORKS
- WE EMBED SOFTWARE IN PRODUCTS
- WE DEPLOY PLATFORMS & SERVICES

We deliver solutions and services

- ID AUTHENTICATION
  Embedding secure software in smart devices used by people and things to protect, identify and authenticate them on the network.
- DATA ENCRYPTION
  Ensuring privacy and creating value even in shared environments like the cloud.
- STRONG ID VERIFICATION
  When simple login and password are not secure enough.
- ID ISSUANCE
  When a secure process is needed to control access to network resources.

We sell multiple models

- Software & products
- Software license
- Service

Our clients...

...include some of the world’s best known organizations: mobile operators, financial institutions, governments, healthcare providers, transport operators, vehicle manufacturers and many other enterprises.

...enable our clients to deliver a vast range of secure services in mobile communications, payment, online banking, cloud access, identity and privacy, electronic government, the Internet of Things, software monetization and so on.

Our solutions...

BILLIONS OF PEOPLE AND THINGS WITH UNIQUE, PROTECTED IDs

BUSINESSES AND GOVERNMENTS WITH DIGITAL ASSETS
Where we operate

Our clients are based in over 180 countries – so our global presence is a vital asset. We can share our international experience locally, provide solutions adapted to specific conditions and be on hand to offer a personalized service.
Our approach to sustainability

A sustainable business for responsible, long-term growth

Being a leader in digital security, our solutions touch billions of people’s lives every day. Ensuring these solutions are sustainable in the way they are made and used, and create maximum value for all our stakeholders, is central to our approach.
Our values and ratings

Our approach to sustainability builds on our Company core values, which underpin all our activities:

Customers
We put their needs at the center of all we do, develop partnerships and exceed their expectations.

People
We value their diversity, encourage teamwork and conduct ourselves with integrity.

Innovation
We continually develop valuable new ideas and creative approaches to business and technology.

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Our sustainability ratings and recognitions

Our customers and investors increasingly wish to assess our CSR maturity through questionnaires and audits. We are proud to share some of the ratings and recognitions achieved in 2015.

**RATINGS**

Gold rating for CSR performance
In 2015, and for the third successive year, we received the Ecovadis Gold CSR rating, scoring 70/100. This placed us within the top 5% best-performing companies assessed by Ecovadis in all categories.

**RECOGNITIONS**

Bronze award for CSR information
A Bronze award for our 2014 Sustainability Report from FIRA Platform, an independent third party. FIRA verifies CSR information of companies and institutions and enables CSR dialogue based on reliable information.

Strong ESG practice
Inclusion in the FTSE4Good Index Series which identifies companies demonstrating strong Environmental, Social and Governance (ESG) practices as measured against globally recognized standards.

High ranking CEO
Gemalto’s CEO, Olivier Piou, was placed 58th out of 907 of the World’s Best-Performing CEOs. The ranking is managed by the Harvard Business Review and takes account both of Environmental, Social and Governance metrics (20%) and Financial metrics (80%).

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Climate change transparency
Since 2008 we have participated in the annual CDP climate change questionnaire and, in 2015, we continued to improve our transparency evaluation from 80/100 to 82/100.
Our performance overview

**OUR PRIORITIES**

**BUSINESS & CUSTOMERS**
- Data security
- Developing innovation
- Crisis and business continuity management
- Reliable and responsible supply chain
- Security training of employees of acquired companies
- £241 million invested in R&D
- Project to protect and support employees and to bring employees together
- Support the recruitment of new talents in the projects and new acquisitions
- 2,000+ people from 52 nationalities
- Integration program for employees of acquired companies in 12 sites
- 36% of new recruits were women
- 82% of our employees satisfied (annual survey)
- 3 charitable activities funded involving 1,300+ employees
- Bio-sourced cards deployed by Coop Bank in Denmark
- 26 certifications ISO 14001
- 81% waste valorization rate
- Nine million carbon offset cards sold in 2015
- Bio-sourced cards deployed by Coop Bank in Denmark
- 26 certifications ISO 14001
- 81% waste valorization rate
- Nine million carbon offset cards sold in 2015

**PEOPLE**
- Talent attraction and employee development
- Wellbeing and work-life balance
- Occupational health and safety
- Equal opportunity, inclusion and diversity
- Hired 2,000+ people from 52 nationalities
- Integration program for employees of acquired companies in 12 sites
- 36% of new recruits were women
- 82% of our employees satisfied (annual survey)
- 3 charitable activities funded involving 1,300+ employees
- Bio-sourced cards deployed by Coop Bank in Denmark
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**GOVERNANCE & COMPLIANCE**
- Regulations on data privacy and security
- Ethical behavior
- Governance management
- Control and compliance
- Internal communication campaign about our Code of Ethics
- 880 employees trained in anti-fraud, anti-bribery, anti-trust and ethics
- 2,050 employees trained in CFIUS and trade compliance
- 91% positive response by employees to ethics-related questions in employee survey
- Revised internal Data protection policy and training
- More than one billion people reached through our mobile financial services worldwide
- 73 charitable activities funded involving 1,300+ employees
- Bio-sourced cards deployed by Coop Bank in Denmark
- 26 certifications ISO 14001
- 81% waste valorization rate
- Nine million carbon offset cards sold in 2015

**SOCIETY & COMMUNITY**
- Data privacy and confidentiality
- Solutions with social purposes
- Engagement with stakeholders and promoting partnerships
- Support for communities
- Support for communities
- Bio-sourced cards deployed by Coop Bank in Denmark
- 26 certifications ISO 14001
- 81% waste valorization rate
- Nine million carbon offset cards sold in 2015

**ENVIRONMENT**
- Eco-products
- Energy, Green IT and electronic waste
- Resource efficiency
- Greenhouse gas
- Bio-sourced cards deployed by Coop Bank in Denmark
- 26 certifications ISO 14001
- 81% waste valorization rate
- Nine million carbon offset cards sold in 2015

**WHAT’S NEXT?**

- Address the new EU data privacy regulation (within 2018)
- Create a dedicated risk mitigation plan on ‘Breach of data protection and privacy regulations’
- Deploy a new anti-fraud e-learning and organize awareness presentation on sites
- Reconsider the scope of the whistleblower procedure
- Continue awareness of trade compliance and export controls (training and e-learning)
- Deploy data privacy awareness e-learning module
- Support financial inclusion with our solutions
- Monitor annual stakeholder engagement programs (customer listening program and employee survey)
- Get feedbacks from stakeholders about our materiality analysis results
- Launch ‘Your World 2016’, our annual community program
- Sustain eco-design: smallest-form factors and alternative materials
- Enlarge scope of the Green IT program and manage electricity savings program
- Deploy HSE requirements’ new directive and the reporting tool
- Reduce transportation of products impact by switching freight modes

CFIUS = Committee on Foreign Investment in the United States
Our materiality analysis

In 2015, we carried out an extensive analysis to identify and re-prioritize the topics that are important to Gemalto and our stakeholders. The results are shaping how we now organize, report and communicate about sustainability.

**Methodology**

Our materiality assessment sought to find out which topics Gemalto’s various stakeholders consider to be important, and to what degree.

**The materiality process involved five key steps:**

1. **Identifying relevant issues**
   Through research into sustainability trends, risks and opportunities at global and sector-specific levels, we developed a list of 34 topics to put forward to our stakeholders.

2. **Defining key stakeholders**
   From a list of potential stakeholders, we selected those who had the greatest interest in and influence on our business. These included our customers, investors, suppliers, managers and employees.

3. **Prioritizing topics**
   Through detailed interviews and an online survey, over 1,200 individuals representing these five key groups ranked the various topics as being of low, medium, high or very high importance.

4. **Analyzing results**
   An independent agency analyzed the responses and weighted the topics according to their importance to stakeholders and to Gemalto. The topics were then plotted on a materiality matrix.

5. **Validating results**
   The results and their potential implications for our CSR management and reporting were presented to the project team. After further consideration they were then presented to the Sustainability Steering committee and to the CEO who validated them.

**Findings and outcomes**

The process provided valuable insights into what matters most to our stakeholders and to our business. Key findings include:

**We are well in line with our stakeholder’s concerns**
There is particularly strong alignment between Gemalto management’s evaluation and the other stakeholders’ responses about materiality.

**Business ethics are increasingly important**
Topics relating to the way we conduct our business, such as Governance and Compliance, including anti-bribery, anti-corruption and anti-fraud strategies, as well as Human Resources management, are generally ranked in the high and very high materiality bands.

Environmental issues are mainly within the moderate and less important bands probably because, being part of the digital world, our footprint is relatively light. Society and Community issues are relatively evenly distributed.

**We are re-balancing some CSR topics**
The boundaries of Corporate Social Responsibility are shifting. Increasing importance is being placed on some topics – such as data security and privacy, crisis management, investment in R&D and business continuity management – which did not previously show up as major CSR topics, although they were already central to other policies and practices within Gemalto. On the other hand, some traditional CSR topics – such as climate change and biodiversity – rank relatively lower in importance for our stakeholders.

**Outcomes**

We are exploring ways to make the most of the insights gained from our analysis. While all the topics have some importance for Gemalto, we now have a clear view of what matters most to our stakeholders and this is where we will focus our efforts. And as a starting point we have reorganized this year’s Sustainability report accordingly.
Our materiality matrix

Topics grouped by importance rating

**BUSINESS & CUSTOMERS**
1. Data security
2. Crisis management
3. Investment in R&D
4. Business continuity management
5. Supply chain disruption management
6. Risk assessment, audits and verification of Gemalto's supply chain
7. Environmental and social practices of Gemalto's suppliers
8. Gemalto's practices towards suppliers
9. Tax and other fiscal requirements

**GOVERNANCE & COMPLIANCE**
3. Changing regulations on data privacy and security
4. Anti-bribery, anti-corruption, anti-fraud and ethical behavior
5. Roles, responsibilities and oversight of Gemalto's Board and Senior Management
6. Compliance with regulations on fair competition and export controls

**SOCIETY & COMMUNITY**
2. Data privacy and confidentiality
3. Environmental and social impacts of Gemalto's products and services
4. Engagement and communication with stakeholders
5. Partnerships
6. Environmental and social footprint and labeling
7. Community actions

**PEOPLE**
6. Attracting talent
7. Developing and retaining existing employees
8. Wellbeing and work-life balance
9. Occupational health and safety at Gemalto
10. Equal opportunity and inclusion
11. Diversity
12. Employee representation

**ENVIRONMENT**
23. Green IT and electronic waste
24. Resource efficiency
25. Energy and greenhouse gas emissions
26. Transportation of products
27. Impacts of climate change related regulations
28. Increased extreme weather events affecting Gemalto's operations
29. How Gemalto's operations impact climate change
30. Biodiversity

**IMPORTANT TO STAKEHOLDERS**

**IMPORTANT TO GEMALTO**

Bold notes denote Gemalto’s most material topics.
Managing sustainability

At Gemalto, sustainability is managed from Boardroom to site level. Everyone, at every level of the organization, plays a part in creating a responsible business.

The Board of Directors
Gemalto’s Board is ultimately responsible for Gemalto’s sustainability vision, strategy and performance.

The Sustainability Board
Chaired by our CEO, the Sustainability Board is an annual meeting for Gemalto’s Executive Vice-Presidents to review our sustainability strategy, policies and performance and discuss next steps.

The Sustainability Steering committee
Reporting to the Board, the Sustainability Steering committee includes members of the Sustainability Board as well as representatives from key business functions. They work together to identify and implement our sustainability priorities and action plans, and to monitor and assess our performance.

Site managers
Site managers are responsible for implementing relevant sustainability policies and action plans at site level and reporting on performance.
## Engaging with our stakeholders

Our stakeholders have their own priorities, concerns and understanding of sustainability. Being transparent about our priorities, performance and management processes helps us to build trust and identify opportunities for improvement.

We regularly engage with a wide range of individual and organizational stakeholders to consult their views, build partnerships and communicate our actions and performance. Here we focus on our key stakeholders – those with the greatest influence on our performance.

<table>
<thead>
<tr>
<th>OUR STAKEHOLDERS</th>
<th>HOW WE ENGAGE WITH THEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>OUR CUSTOMERS</td>
<td>We are in constant dialogue with our customers to identify common interests, meet mutual objectives, understand sustainability requirements and develop solutions. Our annual customer survey, 'Tell Me', gives us a deep understanding of their views on our business (see page 19). We also engage with end-users through our consumer advice website, JustAskGemalto.com.</td>
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<td>OUR EMPLOYEES</td>
<td>Our annual 'PeopleQuest' survey is designed to track employee satisfaction globally. Our annual Sustainable Development Day enables employees to share and learn about each other’s views on cultural, social and environmental issues (see page 22). Every year we share the priorities of our HSE and sustainability agenda, and invite employee feedback on our Sustainability Report. We also provide a confidential whistleblower hotline to enable them to raise concerns.</td>
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<td>OUR SUPPLIERS</td>
<td>Our CSR Purchasing Charter explains what we expect from our suppliers and has now been signed by all the most important of them. We include discussions on sustainability in our quarterly business review meetings; and we carry out supplier audits to get a realistic view of their practices and, if needed, share concerns about the issues raised (see page 22).</td>
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<td>OUR INVESTORS</td>
<td>We use a wide variety of media to keep in contact with our investors. These include our Annual Report, Sustainability Report, press releases and investor website. We also organize events including our Annual General Meeting of shareholders, roadshows, conference calls and face-to-face meetings. These help us understand and take account of their opinions in our policy making.</td>
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<td>OUR COMMUNITIES</td>
<td>We get involved in many of our local communities through our ‘Your World’ employee volunteering program (page 41). We also encourage initiatives such as developing alternative ways of commuting to work (e.g. car-pooling and cycle-ways) and promoting sustainability awareness among local organizations and residents. Our recruitment and training programs enable us to engage with communities where we operate.</td>
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<td>OUR PARTNERS</td>
<td>We have a wide variety of partnerships which support our business and CSR objectives including those with universities, schools, research bodies and industrial organisations. These help recruitment, and strengthen our research and innovation processes (see page 20). We are also a member of major federations and consortia in our ecosystem (e.g. Eurosmart, Simalliance, etc.).</td>
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Business and customers

Rewarding our suppliers’ best CSR practices

In November 2015, as part of our Responsible Purchasing program, we organized a CSR training in Shanghai for our Asian suppliers. The aim was to share best practices in CSR, explain our Sustainable Purchasing Policy and clarify our expectations towards our supply chain. We also took the opportunity to reward suppliers achieving the best CSR performance.
Introduction

We are constantly developing our business in line with our customers’ evolving needs, working with them over the long term to develop secure and innovative solutions that improve people’s connected lives. Since our relationships are based on trust, we also set a high priority on responsible purchasing, managing risk effectively and ensuring the integrity of their data.

OUR APPROACH

KEY FIGURES

CUSTOMER SATISFACTION
86%

INVESTED IN R&D
€241m

WHAT’S NEXT?

• Sustain resilience of our data protection with the Cyber Excellence Program
• Reinforce resilience of our major sites and further improve robustness of our IT infrastructure
• Improve maturity of crisis management plans and train teams
• Extend Technical Ladder to new acquisitions and new jobs, enlarge skills and expertise in our technical community
• Support our key suppliers in the improvement of their business continuity responses
• Systemize signature of our Purchasing CSR charter to all participants in any RFQ

CRISIS MANAGEMENT LEADERS
140

% OF OUR MAIN SUPPLIERS WHO HAVE SIGNED OUR PURCHASING CSR CHARTER
100%

SUPPLIERS’ CSR AUDITS
28

We are constantly developing our business in line with our customers’ evolving needs, working with them over the long term to develop secure and innovative solutions that improve people’s connected lives. Since our relationships are based on trust, we also set a high priority on responsible purchasing, managing risk effectively and ensuring the integrity of their data.
Data security

Gemalto publishes the bi-annual Breach Level Index (BLI) which provides a centralized, global database of organizations’ data breaches and calculates their severity. In 2015, 700 million data records were exposed by breaches. Thus for most organizations, breaches are clearly not a matter of ‘if’ but ‘when’. In this rapidly evolving environment, the pervasive use of data encryption technologies has become an absolute necessity.

Our approach to security

Our approach to security focuses on two main areas: the physical security of our premises and the logical security of data and digitized information. This approach encompasses both our own data relating to our businesses and our customers’ data relating to services offered to their end-users.

Since our customers trust us to manage these sensitive assets with absolute integrity, security has a fundamental, two-fold importance for us. It is embedded in our products and solutions, and also in our processes and practices. It is well understood and appreciated by our various stakeholders, as it represents a core value in our offers and a critical success factor for our business.

Security is seldom static in the physical world, and is never so in the digital world. So our management systems and technologies are constantly reviewed and upgraded to retain their effectiveness against an increasing range of threats. This applies as much to updating our processes as it does to training our personnel. Besides the existence of robust tools and processes, personal behavior, diligence and vigilance are of critical importance to any organization’s security.

Security and privacy

While the term ‘security’ in this context relates to the protection and integrity of data, ‘privacy’ relates to its use and control. We address data privacy on page 38 of this report.

Our Security Management System

Gemalto’s Security Management System (SMS) is designed to ensure:

- the confidentiality, integrity and availability of data;
- the protection of networks; and
- the physical security of our sites, equipment, transport and personnel.

Overall, the SMS is subject to control by the Company’s governance and management protocols up to our Board of Directors. These demand:

- regular Enterprise Risk Assessments (ERA);
- systematic penetration tests and permanent vulnerability scanning;
- frequent internal and external security audits, including our subcontractors; and
- improvement of current practices.

Implementation of the SMS is assured by a worldwide network of security officers, supported by corporate and regional security departments as well as regular employee training.

Ultimately, our security management is achieved through a system of policies and practices which are regularly tested to address identified risks and meet regulatory requirements.

As a confirmation of our exemplary standards, we are regularly granted security certifications by third parties including ISO 27001, PCI-OP, GSM SAS, etc.
Data security continued

Security focus

Gemalto focuses its Security Management System (SMS) on three activities:

1. **PREVENTION**
   - We aim to prevent attacks and intrusions
   - by applying robust policies, processes and tools
   - e.g. developing sophisticated data encryption and constantly strengthening our network architecture;
   - by implementing appropriate organizational practices
   - e.g. deployment of security officers, segregation of duties and training of employees.

2. **DETECTION**
   - We have systems and procedures in place which enable us to detect an attack very rapidly and therefore limit impact.

3. **REACTION**
   - Our Computer Security Incident Response Team (CSIRT) is able to intervene rapidly and expertly in the event of an incident.
   - In the physical space, crisis management techniques are broadly deployed. They are run through our crisis management framework and tested through training sessions.

End-to-end protection

Under the overall protection of the SMS, we aim to ensure that data sent to us by our clients is never compromised. To that end we manage data in five steps, each of which is governed by specific security procedures agreed with them.

1. Reception
2. Processing in our sites
3. Personalization
4. Retention and storage
5. Destruction

These are designed to safeguard the data throughout its life-cycle.

**Acquisitions and security**

We have an active policy of acquisitions, and a strong security focus regarding the training and development of the employees of acquired companies about our own practices. During 2015 we brought on board, amongst others, SafeNet and Trub AG. Where appropriate we integrate their technologies when we consider they could help us reinforce our own practices.
Our customers and innovation

As one of our three core values, innovation is at the heart of everything we do and our proactive innovation program brings award-winning results. We’re constantly researching and developing new ideas to deliver better solutions for our customers – through new technologies that enhance people’s digital security and have a positive impact on society.

A relationship based on trust
Trust is critical for all our customers – from telecoms and public service providers to those working in finance and enterprise. With decades of experience, our clients know they can trust us to manage their own digital data and the personal information of their customers – including subscribers, citizens, bank account holders and employees.

People’s trust in our ability to deliver high-quality products and services, and to provide support for problems, is central to our future business growth. We work hard to earn and maintain this trust by designing our strategy and operations around customer needs and ensuring we communicate with customers in an open and transparent way.

‘Tell Me’ survey
Every year, we commission a customer listening program, the ‘Tell Me’ survey. This includes interviews with customers who rate their satisfaction with various aspects of our business and provide feedback on their vision and challenges. It provides a wealth of data that helps us measure our performance and shape our strategic direction. It also gives our clients’ views on a variety of topics to inform our approach to sustainability.

The ‘Tell Me’ survey uses the methodology and metrics of Why Consulting, an independent third party. In 2015, we held 420 ‘Tell Me’ strategic interviews with our customers, representing the majority of our worldwide revenue. 86% of those interviewed said they were ‘satisfied’ or ‘very satisfied’ with Gemalto. According to Why Consulting, this is a world-class rating.

Meeting our customers’ needs
In an increasingly consumer-driven world, our customers depend on high standards of market intelligence and innovation to meet their end-users’ complex and changing needs. In response, Gemalto provides an increasingly sophisticated service of research and collaboration, developing insights to ensure our clients’ offerings meet with success.

This is the mission of the central market research team, which examines consumer topics of compelling interest to our customers. Their work includes both upstream research before a product is developed to provide insights into end-users’ specific needs, as well as advice on adapting existing products to meet particular market demands or behaviors.

In 2015, Gemalto’s Ideas Hub – an online community gathering UK and US consumers – was used to test new concepts and generate insights. Altogether, it engaged in some 180 conversations and generated 20,000 consumer comments. With our members we explored the end-users’ appetites for a wide range of innovative solutions, focusing on mobility, security and payment.

In the future, we plan to extend the Ideas Hub to other parts of the world.
Our customers and innovation continued

Supporting our people to generate new ideas
We have over 3,000 engineers based in 27 research and software development centers. With their expertise and dedication we submit a large number of patent applications for new innovations every year. Their work is enhanced by the creativity of Gemalto’s entire workforce, which is why fostering innovation is a key element of our Human Resources training and development program (see page 28).

We encourage all employees to submit their ideas and suggestions through the Business Innovation Garage (BIG). This provides a structured process to funnel, nurture and retain our people’s best ideas, rather like start-ups going through venture capital selection. Every year hundreds of ideas go through a stringent selection process, and the best of them become incubation cells for future development. Since it was launched in 2009, BIG has facilitated the development of several innovative solutions, some of which are now part of Gemalto’s business stream.

Industry collaboration and co-operation
We collaborate with leading research bodies, universities, NGOs and industry partners through co-operative projects that aim to promote technological innovation and new digital concepts.

Yet developing new technology is only half of the story. We also work together to create global infrastructures and standardization that ensure our customers’ digital solutions work in the field wherever they operate in the world.

By co-operating in a process of open innovation that pools expertise and allows shared learning, we develop solutions that tackle many difficult challenges. We are also able to share best practices, standardize approaches and leverage funding.

In 2015, we worked on several co-operative projects covering Telecommunications, Machine-to-Machine, Payment systems, Government programs and other areas such as Cloud Security and Wearable computing. About half were funded through international schemes (EUREKA clusters, Framework Programme of the European Union) and half by national programs. Gemalto’s investment in these activities represents a significant focus for our expert community.

One example is the International EUREKA ITEA2 Sitac project, where Gemalto led a consortium of 25 partners from France, Turkey, Spain and Israel. Its aim is to develop advanced solutions for the management of large scale Internet of Things deployments, combining social networks, crowd sourcing and big-data technologies. This project has led to advanced proofs of concept in Social green buildings, Solar Energy production managed by users, Control and Monitoring of Home Appliances, Network identity and subscription management.

In France, we are also an active participant in a number of ‘Competitiveness clusters’ which bring together businesses, research bodies and educational establishments in a specific region to develop co-operation around a set of shared themes and roadmaps. In 2015, we were involved in ten innovative projects linked, for example, to display cards, homomorphic cryptosystems (a form of encryption), security of breeder documents (the original documents which serve as the basis for others), 5G Networks, the Internet of Things, and Privacy and Security protocols for embedded components.

Open standards – access for all
Gemalto is committed to making secure web technologies accessible to everyone. We’re a member of the World Wide Web Consortium (W3C) which aims to make patent-free standards available to all developers of web applications. Our role is to ensure that these standards are trusted and secure.

The challenge is to provide solutions that enable developers to meet their very specific security needs, while being flexible enough to operate around the world. In 2014, we supported the definition of a ‘one-click button’ for developers’ basic security operations, and in 2015, supported easy integration of payment means in the web in W3C as well as easy online authentication in FIDO Alliance. Furthermore, we support other open standards projects such as Open Web Application Security (OWASP).

We expect 2016 to focus strongly on online web authentication and identity management. We plan to support those conversations in W3C, sharing our know-how with the web community.
Managing our business

We see effective risk management as a core responsibility to our stakeholders – including our customers, their end-users, investors, employees and others. It is therefore integral to our service and culture, and is fundamental to building trust in our ability to provide secure solutions. We also make it a priority to ensure the operational security, integrity and continuity of all our operations around the world.

Risk management
Risk assessment is carried out at Group, business, function, domain and site management levels. We explain our principal risks and mitigation steps in our 2015 Annual Report.

We have developed five dedicated risk management processes across the organization:
• budgeting, planning and reporting;
• risk assessment and mitigation;
• crisis and business continuity management;
• fraud risk management; and
• transfer to insurance.

Crisis management and business continuity
We cannot control all the risks we face, so we have robust crisis management and business continuity response plans to ensure our resilience to unforeseen events.

Our crisis management framework encompasses basic escalation and communication rules, action guidelines and clear roles and responsibilities for managing a crisis.

Over 130 crisis management leaders are in place worldwide, and trained through simulation exercises. In 2015, we continued to update and refine our crisis management framework and improved the Company’s preparation level. In particular, 99% of the crisis management leaders formally submitted their updated crisis management plans to the Corporate Risk Management team for maturity assessment.

We have also developed business continuity responses supported by a robust framework and improved tools to avoid or minimize disruption to customers and our business in the event of a crisis.

These measures include:
• greater standardization of production tools and processes for greater flexibility between sites;
• multi-sourcing strategies (see below ‘Supply chain disruption management’); and
• creation of redundancy in our infrastructure so that support is available in the event of a problem.

The development of specific technical capacities in back-up sites has significantly reduced the number of products still depending on a single point of manufacturing. With governance and oversight remaining the ongoing responsibility of our Business Continuity Leadership team, the continuing development of our business continuity is acknowledged and supported by Senior Management teams.

In 2015, we worked extensively on awareness and educational support across the Company on this discipline, with a particular focus on Manufacturing, Information Solutions and Services (ISS) and Purchasing. In addition, the resilience of our ISS infrastructure was enhanced with a continuing program of live planned Disaster Recovery exercises. We reinforce this by storing certain key types of information in back-up sites, so enabling our operations to continue uninterrupted even in the face of outages.

Supply chain disruption management
We regularly review our exposure to risks and mitigating actions associated with the supply of our key materials and components.

In order to ensure that we are not dependent on a single supplier, we have developed multi-sourcing strategies for all such components and materials wherever possible and have built-up safety stocks where necessary. Externally, we undertake detailed reviews and audits of our key suppliers’ Business Continuity Plans.
Our supply chain

We work closely with our suppliers to create a high-quality, reliable supply chain that supports our business objectives and meets our high ethical standards. Everyone involved in purchasing at Gemalto follows a well-established social responsibility evaluation process and achieves annual CSR objectives.

Responsible purchasing
Our responsible purchasing policies set out the environmental, social, ethical and supply chain management criteria on which we base our purchasing decisions. These criteria are derived from UN Global Compact best practices for the electronics industry.

We follow a four-step process:

1. Securing commitment to our Purchasing CSR Charter
   100% of our main suppliers (representing 80% of Gemalto’s spending worldwide) have agreed to and signed the Gemalto Purchasing CSR Charter, demonstrating that they adhere to the same values as us. We also include a CSR clause in all new contracts.

2. Evaluating our main suppliers’ CSR maturity
   Our CSR risk analysis, delivered by an independent third party, involves supplier self-declaration of social, ethical, environmental and supply chain policies. In 2015, the process covered around 76% of Gemalto’s worldwide spending.

3. Developing our suppliers’ CSR performance
   The CSR performance of our suppliers varies depending on their location, size and organization. Our site audits are undertaken by an international third party, and help to ensure we retain the best suppliers and support them to meet our high CSR standards. In 2015, we carried out 23 audits around the world, with a particular focus on subcontractors and sensitive activities.

   We aim to work collaboratively with our suppliers, helping them to improve through detailed corrective action plans. These are followed up with progress checks and additional site visits whenever required.

4. Training in continuous improvement
   In order to help our suppliers to improve their CSR maturity, we ask them to follow e-Learning sessions.

   In 2015, we also invited our Asian suppliers to a training day in Shanghai where our Purchasing & IP Senior Vice-President presented our Sustainable Purchasing Policy and shared best practices in CSR audits. We took this opportunity to recognize three of our main suppliers for their very good CSR performances.

   Internally, we used our Gemalto Sustainable Development Day to share our CSR Purchasing Policy with our employees worldwide. At the same time, we invited seven of our main suppliers to present their own Sustainability policies and activities.
Our supply chain continued

**Supplier awareness of anti-fraud and anti-corruption**
We require our suppliers to comply in full with anti-fraud and anti-corruption laws around the world, as set out in our CSR Charter, our purchasing general terms and conditions and our CSR clause. In 2015, all Gemalto purchasers received training on anti-trust.

**Sourcing minerals**
Gemalto is eager to only use conflict free metals to manufacture its products. To be confident that it only comes from acceptable sources, we require the very small number of suppliers involved to guarantee that the minerals we purchase originate from ‘conflict-free’ sources, based on the EICC’s (Electronic Industry Citizenship Coalition) definition*. All these suppliers confirmed compliance.

**Treating our suppliers fairly**
**Lead and manage by example**
As much as we encourage our suppliers – and their own suppliers – to implement our core CSR principles and values in their business practices, we also impose similar behaviors on ourselves.

This starts in our sourcing process with calls for tender based on fair competition rules and the strict application of our Ethical Purchasing charter.

It is then followed by a comprehensive Suppliers Relationship Management process. This starts with regular Management Business and scoring reviews to identify, address and resolve all sorts of issues. We then provide our suppliers with support and follow-up to drive the continuous improvement plans needed to sustainably enhance their efficiency in providing us ever better products and services.

According to feedback from our suppliers about our processes and business practices, we are generally considered to be a fair and reasonable partner while often being more demanding than the average about CSR topics.

*WE REQUIRE OUR SUPPLIERS TO COMPLY IN FULL WITH ANTI-FRAUD AND ANTI-CORRUPTION LAWS AROUND THE WORLD, AS SET OUT IN OUR CSR CHARTER.*
People

Developing wellbeing at work

We are committed to developing best practices in certain key areas such as nutrition, health, sleep and exercise, promoting programs to manage stress and encouraging a healthy work-life balance. We also organize information days on these issues and as a result, our annual ‘HR & Me’ day – an internal event organized in most of our sites – included wellbeing as a major focus in 2015.
Introduction

Gemalto’s success is built on the ingenuity and wellbeing of its people. The way we manage and develop them is critical to our future growth. We base our business on a strong ethical foundation and culture of innovation, enabling us to attract and retain the most talented recruits.

**OUR APPROACH**

**KEY FIGURES**

- **TOTAL EMPLOYEES**: 14,000+
- **SATISFACTION IN OUR ANNUAL EMPLOYEE SURVEY**: 82%
- **PROPORTION OF WOMEN IN OUR WORKFORCE**: 38%
- **PERCENTAGE OF OUR TOP 460 MANAGERS PROMOTED FROM WITHIN**: 96.6%
- **PEOPLE RECRUITED IN 2015**: 2,000+

**WHAT’S NEXT?**

- Promote our referral program of new talents with voluntary contribution to NGOs
- Integrate employees from recently-acquired companies
- Structure a wellbeing and work-life balance program
- Reduce the accident ratio per employee by 10% for 2015-2017
- Increase external visibility of our women’s network
Our approach to Human Resources

We base our approach to managing Human Resources on ‘8 Pillars’ which put people at the heart of our business. The ‘8 Pillars’ form the foundation on which everything else is built – serving our employees’ needs and supporting our long-term business objectives.

Management by objectives
As part of our annual Performance Review, every employee meets their manager to assess their progress against objectives, and to set new targets for the future. The process supports people through their careers, helps us identify talent and development needs, and monitors outcomes that are critical to our business. We continually review our performance management process to ensure goals remain relevant.

Ethics and community
The Gemalto Code of Ethics governs all our relationships with clients, suppliers, stakeholders and colleagues (see page 34). Through our community program, ‘Your World’, we encourage employees to take an active role in local community environmental and humanitarian activities (more on page 41).

Mobility
We help our future leaders develop the in-depth understanding of the business they need by providing opportunities to move around the Company. Schemes like the Young Transfer Program encourage geographical and functional mobility, and support our strategy to develop leaders, managers and technical experts in key markets.

Training
To help people excel every day and build successful careers for tomorrow, our training programs are designed to provide the knowledge, skills and creativity they need to achieve our vision and their own current and future aspirations.

Recruitment
Our recruitment approach is based on fair and ethical criteria to identify the best available talent for the Company. In 2015, we strengthened our talent pipeline by recruiting employees across 43 countries.

Compensation and benefits
Our compensation and benefits strategy provides a very precise method for determining how we reward our employees. It is benchmarked internally and externally, ensuring fairness, transparency, consistency and competitiveness.

Promotion from within
Internal promotion and talent management is fundamental to our sustainable leadership model and long-term development. We believe people who are trained, challenged and in control of their careers are best placed to take us into the future.

Diversity
We depend on a diverse, open-minded workforce to respond to rapid and complex changes in our customer base, markets and technologies. Our emphasis on diversity gives us a clear competitive advantage by promoting innovation and shared learning, and by shaping fair and equal employment practices.
Attracting the best people

Being the leader in Digital Security – a business inspired by continuous innovation – we need to hire the best engineers and most creative candidates capable of developing new ideas for our customers.

Global competition in our industry is fierce, so we have an ambitious talent acquisition strategy which is closely aligned with our business strategy.

In 2015, we recruited over 2,000 people, 36% of whom were women.

Our four focus areas are:

**REFER!**

Our ‘REFER!’ Program saw numerous new recruits as a result of referrals from current employees. 92% of our employees who responded to the employee satisfaction survey consider that Gemalto is a good company to work for, and many are happy to recommend their friends to join us.

**University Relations Program**

Through this program, Gemalto ‘ambassadors’ work to develop long-term relationships and recruitment initiatives with universities in several different countries.

**Social media**

We use social media as a global recruitment tool. Our growing online presence is such that this is becoming a significant channel for recruitment.

**Online**

We post vacancies and advice on our candidate-friendly careers website – www.gemalto.com/company/careers

Induction

We make it a priority to ensure that everyone who joins Gemalto feels welcomed from day one and supported to understand the business as they develop into their role. Our comprehensive employee induction program consists of three stages:

**Gemalto Newcomer Orientation**

The Gemalto Newcomer Orientation is attended by everyone in their first month as an employee. It introduces them to their role, explains how their part of the business operates and clarifies the relevant HR policies and procedures.

**Gemalto Connection Program**

The two-day Gemalto Connection Program is attended by selected exempt* employees, once they have been with us for between three and six months. It is designed to broaden their understanding of the business through meeting other employees and Senior Managers from their region.

**Gemalto University – Discovery Program**

The four-day Gemalto University – Discovery Program brings people together from around the world to build their appreciation of our values and mission, meet our management team and deepen their understanding of our global business in digital security.

*Exempt employees*

‘Exempt’ employees are those who, because of their responsibilities and level of authority, are exempt from overtime provisions. As in other organizations, they are expected to work the time needed to accomplish their goals. They are most often found in managerial, supervisory, professional, administrative and other leadership roles.

*Non-exempt employees*

‘Non-exempt’ employees are those who, because of the type of duties they perform, their level of authority and method of payment, are subject to overtime provisions. They are therefore paid for all overtime hours worked.
Developing our people

The digital world is evolving fast. We need our employees to respond quickly to new challenges, to anticipate the changing needs of customers and markets, and to adapt to new developments in technology. Investing in their skills and knowledge is one of our most important objectives.

Learning and development programs
We offer a wide range of training opportunities. The ‘Gemalto University’ is our global leadership development program, which includes a number of targeted programs:

- Discovery Leadership Program – held every two years for new recruits (see page 27).
- Emerging Leadership Program – developing a cross-functional, international network of outstanding people with a key focus on digital security.
- Executive Learning expedition – an opportunity for management teams to learn through benchmarking and best practice sharing from different industries.

In order to ease the integration of new employees from our SafeNet acquisition into Gemalto, special sessions of the Gemalto Connection Program were customized and delivered in 12 SafeNet locations during 2015.

Launched in 2014, our eLearning platform is an efficient, sustainable tool that makes the most of our knowledge and expertise by providing up-to-date information about our products and offers. For example, the SKY (Solutions are Key) eLearning program is dedicated to training our sales force. In 2015, more than 800 people completed 3,320 certifications of various modules detailing our commercial offers. Other eLearning programs delivered during the year include modules on anti-fraud and performance management.

Every year we invest approximately 2% of our total salary costs in training. In 2015, 81% of our employees said that they feel they are being prepared for changes occurring in their jobs including new projects and new responsibilities. Furthermore, at the end of 2015, 96.6% of our top 460 managers had been promoted from within – reflecting our success in supporting people’s mid- to long-term career development.

Developing a culture of innovation
Innovation is the key to meeting society’s future needs and securing our long-term business success. The ‘Gemalto Technical Ladder’ is designed to provide structured opportunities for our technical experts to develop their international careers across different business groups. The criteria of ‘security’ is a core element in the Technical Ladder and in 2015, high level extensive training programs were deployed. We have continued to expand our ‘innovation cafés’, which see experts present their technical work at different Gemalto sites – promoting internal knowledge sharing and encouraging innovation.
Looking after our people

It is vital we provide a safe environment for all our employees and visitors. Our Human Resources and Health and Safety management systems are designed to reduce risks and ensure continuous improvement. We use OHSAS 18001 certification to gain external assurance of our standards.

Living well – working well
We consider that the wellbeing of our employees plays a role in the performance and competitiveness of our business. In 2015, our annual ‘HR & Me’ day included a major focus on this subject. Other topics included nutrition, sleep and exercise, stress management, how to set up a healthy workspace and the benefits of medical checks.

We’re exploring the opportunities offered by technology to promote more flexible working. This includes teleworking pilots in several countries to enable employees to work at home for one day a week.

Focus on safety
While our operations are relatively low risk, we strive to comply with the highest safety standards and controls. Our safety risks mainly relate to four areas:

- commuting and business travel;
- production equipment;
- ergonomics issues in our production sites as well as musculoskeletal disorders (MSD); and
- hazardous substances, compounds and chemicals used in production.

Most of our production areas and our two main administrative sites are certified OHSAS 18001, covering 55% of our employees. We challenge our practices and performance through external benchmarking and independent assessment.

Our target for 2015-2017 is to reduce the accident ratio per employee by 10% compared with the previous three-year period.

In 2015, we lost 943 working days as a result of injuries (2014: 770). The total number of injuries resulting in at least one day lost remains at 67 – a ratio of 6.80 accidents/1,000 employees.

Commuting and business travel
19% of our total days lost due to injuries in 2015 were a result of commuting and road accidents. We also deeply regret one fatal motorcycle commuting accident. To mitigate these risks, we run a Defensive Driving program for our business drivers, including those who rent a car, are reimbursed for mileage or who are required to drive as part of their duties.

To ensure the safety and security of our employees while traveling on Company business, we apply rigorous principles, including a travel validation process, pre-trip information and support, and ‘security champions’ at all our locations.

Ergonomics and musculoskeletal disorders (MSDs)
Our main ergonomics risks relate to the movement of materials at our production sites, while MSDs are mainly linked to repetitive movements in production areas, and to seating positions in offices.

We regularly run awareness and training programs to help build understanding and reduce the risks. We share experiences from across the business, including details of accidents, investigations and preventive actions, so that each site can improve its prevention plans.

Managing hazardous substances
We use chemicals such as inks and solvents that can be flammable, irritating or toxic. We maintain and communicate with stakeholders a comprehensive list of reportable substances in our products, based on worldwide regulations and market requirements. Through regular employee training, internal procedures and audits, we have not had any chemical-related accidents since 2010.

In 2014, we began a proactive program to identify and plan the replacement of all substances that may be classified as dangerous for human health or the environment and that are present in our products.
Respecting our people

By understanding and respecting our people’s values and aspirations, we can create a professional environment where everybody thrives and feels proud to be part of a company that provides more than just a day job.

Promoting diversity
Gemalto is proud of its diversity, with 117 nationalities amongst our employees. We recruit employees from a wide range of cultural and educational backgrounds, and we aim to be fair and inclusive in all recruitment and promotion decisions. In 2015, we recruited over 2,000 people of 75 different nationalities in 43 different countries.

Gemalto is an engineering-based company which in the past attracted more men than women. Today, women represent 29% of our exempt population.

In order to create more balance we encourage the recruitment of women, as well as their development and promotion into Senior Management positions.

In 2015, women represented 40% of our new exempt recruits, and 29% of participants in our ‘Gemalto University’ leadership development program were women.

As of January 2015, two of our eight Senior Management team members and three of our 11 Board members were women.

‘Gemalto Connected Women’ is our internal professional network which aims to contribute to the Company’s business success by increasing visibility of the benefits of gender diversity, building awareness, taking action and sharing best practice among Gemalto’s women.

In 2015, we have over 600 registered members worldwide with active networks in 17 Gemalto locations.

Employee engagement
Our annual ‘PeopleQuest’ survey tracks employee satisfaction so we can continue to meet their high expectations and identify areas for improvement.

In 2015, 82% of employees completed the survey (2014: 83%), demonstrating the value people place in it for improving their working lives and the success of the business. 82% said they were satisfied with Gemalto, the same figure as 2014.

To gain as much as we can from the survey, we communicate results by region, site and organization – helping to build a deeper understanding of strengths and weaknesses and promoting accountability for action.

Following the 2014 survey, a number of action plans were implemented worldwide which resulted in an increase in the 2015 results. These included:

- an internal communication campaign about our Code of Ethics;
- the worldwide deployment of the Gemalto Connection Program for new hires and employees from acquisitions (see page 27); and
- the creation of new training modules on the Gemalto Performance Review tool to help managers to better evaluate their team members.
Governance and compliance

Involving our employees in Ethics

Our Code of Ethics is an essential part of Gemalto’s culture. It governs how we work together and interact with our customers and suppliers, and also helps ensure that we behave in an ethical manner. In October 2015, we ran an internal communication campaign, including video animations, to illustrate some key themes such as fair competition and fighting fraud.
Introduction

Our Approach

Our business is built on trust, so it’s critical that we conduct our activities with honesty and integrity, comply with best practice and meet the highest standards of corporate governance. We have a number of codes and charters which underpin our management practices and professional standards.

Key Figures

Positive response by employees to ethics related questions in our employee survey: 91%

Sites ISO 9001 certified: 32

Percentage of employees covered by ISO 9001 certification: 66%

People trained in trade compliance since 2010: 2,500+

What’s Next?

- Address the new EU data privacy regulation (within 2018)
- Create a dedicated risk mitigation plan on ‘Breach of data protection and privacy regulations’
- Deploy a new anti-fraud e-learning and organize awareness presentation on sites
- Reconsider the scope of our whistleblower procedure
- Continue awareness of trade compliance and export controls (training and e-learning)
Corporate governance

Gemalto is a Dutch company listed on Euronext Amsterdam, our market of reference, and on Euronext Paris.

**Governance**

Our corporate governance structure is based on the requirements of Dutch corporate law, the Dutch Act on Financial Supervision and the Dutch corporate governance rules. The Dutch Autoriteit Financiële Markten (AFM) – the Authority for Financial Markets – is our supervising authority. Where applicable, we also follow the regulations of the French Autorité des Marchés Financiers (AMF) – the Financial Markets Authority – as well as our own complementary internal procedures.

The Gemalto Board is committed to meeting the highest standards of corporate governance as a central measure to securing our long-term success. We aim for a rich blend of experience around the table to provide broad insights into the global, technological environment in which we operate. Since 2012, we have appointed three active business women as non-executive Board members – Homaira Akbari, Yen Yen Tan and Drina Yue – who contribute a diversity of skills and experience to the Company.

For more information on Gemalto’s governance structure see our 2015 Annual Report. For more information on how Gemalto manages sustainability see page 13.

**Internal audit**

Our Internal Audit team of eight people is responsible for assessing Gemalto’s risk management and internal control systems. Its work conforms to the International Standards for the Professional Practice of Internal Auditing, as published by the Institute of Internal Auditors (IIA), and is certified accordingly. The team has direct and unlimited access to Group operations, documents and employee records. To guarantee his independence, the Internal Audit Director reports directly to the Chief Financial Officer and has an open, independent line of communication with the Chairman of the Audit committee and the CEO. He also holds private sessions with the Audit committee at least annually.
Ethical conduct

Gemalto’s Code of Ethics, anti-fraud framework and policy of responsible financial management help ensure the integrity and sustainability of the Company.

Our Code of Ethics
The Gemalto Code of Ethics ensures we meet high ethical and professional standards wherever we operate, whether or not they are imposed by law. It guides all the work we do, how we work with others and how we deal with each other. At the end of 2012, we updated the Code to include the requirements of the UN Global Compact. We also designed specific Codes of Ethics for specific teams, namely for Purchasing and for Internal Audit.

All new employees are expected to sign the Code of Ethics as part of the induction process, including employees brought into the Company through acquisitions.

Anti-fraud, bribery and corruption
Gemalto’s anti-fraud framework is designed to prevent, detect, deter and respond to any fraudulent activities. It is overseen by the anti-fraud Commission, which comprises six senior managers and is responsible for the continuous assessment of our fraud risks and development of our anti-fraud policy. Managers must inform the Commission of any suspicion of fraud. Additionally, employees can also use the Gemalto whistleblower line to raise concerns about financial irregularities. In 2015, 16 of our 43 internal audits were either focused on fraud risk or were partially motivated by fraud concerns. In addition, we trained some 880 key people in anti-fraud, anti-bribery, anti-trust and ethics; and some 2,050 employees in CFIUS and trade compliance topics.

We extend our anti-fraud focus to relevant third parties. Our Purchasing CSR Charter clearly states obligations relating to identifying, addressing and monitoring corruption concerns or verified practices (see page 22).

In some locations we work with agents and other intermediaries who promote our solutions and services. Our Agents Policy categorically prohibits us from dealing with those who have used, or are suspected of using, corrupt practices and behaviors to gain or retain business.

Financial responsibility
Gemalto follows a deep-rooted policy of responsible and sustainable financial management. This is fundamental to the way we run the Company, ensuring long-term resilience and meeting the expectations of our clients.

As a company with dual listings in Amsterdam and Paris, we comply with relevant market regulations and financial control requirements in both the Netherlands and France. These include a review of our reporting and accounts by our Audit committee and Board, and examination by external independent auditors. Gemalto’s Audit committee Chairman is a specialist in audit activities and, like the other non-executive Board members, is independent.

The Audit committee assists the Board in addressing financial risks, including liquidity, foreign exchange, interest rate and credit risks. Our conservative management approach and metrics are described in the Annual Report.

This year, Gemalto shifted its funding policy from a net cash position to a still conservative financial structure after issuing a €400 million seven-year public bond without financial covenants, in order to fund its acquisitions, particularly SafeNet.

Gemalto pays all taxes due in the countries where it operates based on a transparent transfer pricing policy and an open description of its shareholding organization. Details of this and local compliance measures are provided in the 2015 Annual Report.

CFIUS = Committee on Foreign Investment in the United States
Control and compliance

Gemalto is committed to full compliance with international, regional and local customs and trade control laws, regulations and directives wherever it does business.

Trade compliance
We have a dedicated network of Trade Compliance champions who operate under the leadership of the Corporate Trade Compliance Manager. The Trade Compliance department organizes regular local and global training sessions, as well as eLearning modules to improve awareness. Since 2010, more than 2,500 people have been trained.

Gemalto is aware that, in exceptional and unforeseeable circumstances, its products and solutions could potentially be redirected from their originally intended purpose. We have strict procurement, due diligence and ethics policies and safeguards in place to counter this eventuality. We are also compliant with the international ‘Wassenaar Arrangement’ relating to ‘dual use’ goods (defined as items or technologies normally used for civilian purposes but which could theoretically have military applications). Within Gemalto, this applies to products containing specific cryptographic functionalities. Our Trade Compliance department declares all such products to local export control authorities in each country they are exported to, and obtains an export license if necessary.

RoHS, REACH and WEEE compliance
We continuously work to ensure that our products comply with all relevant industry directives and regulations, including:

RoHS (Directive on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment): we use accredited third-party laboratories to provide chemical analysis of our smart card and reader products, and we ask suppliers to assess their own compliance.

REACH (Registration, Evaluation, Authorization and restriction of Chemicals): we optimize our processes and tools to improve compliance monitoring, with regulations relating to certain substances identified by the European Chemical Agency (ECHA). Our buyers and Health, Safety and Environment (HSE) managers worldwide have access to our central database.

WEEE (Waste Electrical and Electronic Equipment) regulation: we ensure a robust compliance process by subcontracting the declaration of sold quantities and eco-tax payments to external experts, such as the European Recycling Platform (ERP).

Quality and reliability
To maximize quality for our customers, we create bespoke products tailored to their needs and timescales through a ‘make-to-order’ process. We source raw materials according to customer requests and make components based on functional specifications rather than generic characteristics. In 2015, we focused on the quality and service of our US EMV business and the introduction of new products for Government programs.

Our global ‘World Class Enterprise’ team is dedicated to continuous quality improvement, and comprises some 60 people who have undergone comprehensive training. They anticipate forthcoming standards to ensure Gemalto is always in line with best practice and fully compliant with regulations.

Our annual ‘Operations Excellence Award’ scheme identifies the best contributions to customer satisfaction, quality, service and cost improvements from across the business.

Human rights
Gemalto supports and complies with The United Nations Universal Declaration of Human Rights and the International Labor Organization (ILSO) standards. As a signatory of the United Nations Global Compact, we benchmark our policies and results against world-class performers, and review them annually against the Compact’s ten principles. Our own HR rules usually exceed local rules and regulations, helping to ensure we avoid potential risks wherever we operate.

Data privacy and security regulations
See page 38.
Society and community

Delivering smart data to emergency teams

In 2015, Gemalto participated in a solution improving the efficiency of emergency services teams in the US. With our partner, Intrado, we delivered a cloud-based platform that transforms data into easy-to-use information and sends alerts to safety teams to improve their response times and outcomes. It simultaneously monitors developments as they occur, particularly critical during time-sensitive and urgent response situations.
Introduction

Our solutions touch billions of people’s lives every day, giving them confidence in the solutions offered by their service providers. Since this often involves processing large amounts of personal data, we have highly-developed controls to ensure its privacy. In addition, many of our solutions have social benefits in areas such as financial inclusion, health, welfare and safety.

OUR APPROACH

“WE DEVELOP BESPOKE DATA PRIVACY GUIDANCE FOR EVERY PROJECT.”

KEY FIGURES

<table>
<thead>
<tr>
<th>EMPLOYEE PROJECTS FUNDED BY OUR ‘YOUR WORLD’ PROGRAM</th>
<th>PEOPLE REACHED THROUGH OUR MOBILE FINANCIAL SERVICES WORLDWIDE</th>
</tr>
</thead>
<tbody>
<tr>
<td>73</td>
<td>1.07bn</td>
</tr>
</tbody>
</table>

WHAT’S NEXT

- Deploy data privacy awareness e-learning module
- Support financial inclusion with our solutions
- Monitor annual stakeholder engagement programs (customer listening program and employee survey)
- Get feedbacks from stakeholders about our materiality analysis results
- Launch ‘Your World’ 2016, our annual community program
Data privacy and confidentiality

As the world becomes increasingly digital, our opportunities continue to expand. But with them come increasingly complex challenges – including how to keep personal data private and secure, especially when they often move across borders.

Since 2013, more than three billion personal and financial data records have been stolen or lost worldwide. In this context, companies with proven technologies and commitment to safeguard personal data are increasingly in demand.

Gemalto and data privacy
In using our solutions, our clients often ask us to process large amounts of data relating to their end-users. To do so, we must first secure our services. This is a vital step in ensuring privacy (for more on data security see page 17) and is fundamental to all our activities.

The changing regulatory environment
Data privacy protocols around the world address the control people have over their personal data and the means of protecting it from unwanted or harmful uses – especially unforeseen secondary exploitation such as sales to third parties. While there is ongoing public debate about the standards of data privacy policies in different countries and regions, Gemalto – as a responsible international company – strives to adhere to the most stringent and recognized regulations.

Data privacy in action
Gemalto has a well-established framework of controls that ensure the privacy and security of the data it holds.

Our Director of Global Data Privacy, who reports directly to our EVP General Counsel, is responsible for ensuring Gemalto has adequate institutional knowledge of laws and regulations, for providing training, advising and implementing policies and practices, strengthening our management of privacy risks and promoting privacy protection.

With our deep accumulated experience we are currently launching a revised Internal Data Protection Policy which provides an even stronger foundation for the way we process personal data across the entire Gemalto Group. It is based on the strictest standards prescribed by the European Union Data Protection laws and reflects the most common (and most stringent) of personal data protection rules around the world.

We are progressively training everyone who manages personal data at Gemalto about data privacy. Training is mandatory and repeated every other year to ensure appropriate levels of capability, understanding and compliance across all our businesses.

With the coming into force of the business critical EU General Data Protection Regulation, we are strengthening our data privacy program to be ready to address it by mid-2018.

Engaging with our customers
We aim for complete transparency in the way we process and manage the data our clients entrust to us. Given the wide range of demands involved, we believe data privacy is best dealt on a contract-by-contract basis. So we develop bespoke Data Privacy Guidance for every project, including the type of data to be processed, where it will be held, for how long and so on. We also provide clear information on our website about how we use data from people accessing our online services, and an email address to answer questions: privacy@gemalto.com.

“AS A RESPONSIBLE INTERNATIONAL COMPANY, GEMALTO STRIVES TO ADHERE TO THE MOST STRINGENT AND RECOGNIZED REGULATIONS.”
Solutions with a social purpose

Many of our solutions have wider social benefits beyond their immediate use. In particular, our technology for the ‘Internet of Things’ is making waves in many areas, from the home to fleet management. This kind of smart, connected technology can also tackle challenges like improving our environment or bringing much-needed connectivity to developing nations.

Energy efficiency
A secure energy supply is fundamental to any society’s wellbeing and economic growth. But the challenge is to improve energy efficiency and reduce GHG emissions, especially in light of the Paris Agreement resulting from the COP 21 negotiations. There’s no single solution, but improving the efficiency of energy distribution networks can make an important contribution. Smart grids help utility companies improve energy efficiency by reducing energy losses and better integrating distributed power generation and renewable supplies. At home, smart meters help consumers track and reduce their consumption and associated costs.

In collaboration with Oracle and V2COM, Gemalto has created a smart grid solution – a smart meter equipped with Machine-to-Machine (M2M) technology – which allows the metering infrastructure to communicate in real time. This is currently being implemented in a number of countries in Latin America, including Brazil.

Biodiversity
The world’s bee population – crucial to food security – is under threat. Now Internet of Things technology is helping to change its fortunes. Bees pollinate more than two-thirds of the 100 most important crops that feed around 90% of the world’s population.

One of the main causes of Colony Collapse Disorder (CCD) is the Varroa destructor mite which attacks the honey bee population and leaves it prone to viruses. To address this problem, Gemalto’s partner Eltopia has developed Connected Bee Hives, which are now being used in a pilot.

The hives make use of embedded sensors that monitor 32 different aspects of life in a hive and communicate via Gemalto M2M technology. They diagnose the reproductive cycle of the brood and apply heat at the right time to eliminate the mites from hives without resorting to pesticides.

Renewable energy deployment
More than one billion people around the world live without access to electricity. In developing countries it is often too expensive to build the roads, lay the cables and develop the infrastructure needed for traditional power grids. The International Energy Agency says that two-thirds of the population of sub-Saharan Africa lives ‘off-the-grid’.

Solarkiosk, a German company, designs and supplies solar-powered energy and retail outlets to off-the-grid communities. It launched its first pilots in 2012, primarily in this region. Each of its E-HUBB units is powered by at least 2kWp of photovoltaic capacity, enough to charge about 150 mobile phones every day, power small appliances such as laptops and run solar refrigerators containing perishables and medicines. They are also equipped with secure M2M wireless connectivity modules supplied by Gemalto, allowing consistent monitoring and reporting on the performance of each unit. By end 2015, over 100 were installed in ten countries.

“GEMALTO HAS CREATED A SMART GRID SOLUTION – A SMART METER EQUIPPED WITH MACHINE-TO-MACHINE TECHNOLOGY – WHICH ALLOWS THE METERING INFRASTRUCTURE TO COMMUNICATE IN REAL TIME.”
Solutions with a social purpose continued

Road safety
Our road safety solutions include smart card based technology for the European Digital Tachograph (EDT) – a sophisticated control system that records and monitors commercial driver and vehicle activity such as speed, driving time and breaks. The EDT is mandatory for all new trucks and buses in EU countries, and offers an exceptionally high level of security, making it much harder to commit and conceal fraudulent manipulation of the technology. As the first interoperable cross-border system of its kind, the EDT allows for better enforcement of a range of social legislation, improved road safety, better working conditions for drivers and fair competition between transport companies. Gemalto’s smart card based Tachograph technology is an end-to-end solution which has been implemented across ten Tachograph projects, including in France and Turkey.

Other road safety solutions we are part of include eCall, a pan-European service which increases road safety by improving emergency service response times via automatically established, secure two-way links.

We also provide secure eDriving licenses. The European Commission makes a strong link between fake driving licenses and an increased risk of road accidents\(^1\). Our eDriving license is now used in France, India, Australia, Ireland, the Netherlands and Mexico.

Health and welfare systems
New solutions are urgently needed to meet the increasing healthcare demands of a growing and aging population. It’s predicted that by 2020 there will be around one billion people in the world aged over 60, and increasing urbanization will see healthcare provision becoming more impoverished in some rural areas.

Tele-health uses Machine-to-Machine technology to deliver health services in an efficient, accessible way. For example, by providing remote monitoring for chronic illnesses such as diabetes and heart disease, it can increase patients’ wellbeing, avoid hospitalization and reach people who live in isolated areas. Gemalto’s Tele-health solution involves patients wearing a small device that uses mobile networks to link them automatically to doctors and healthcare system cloud-based services.

In 2014, our technology was selected by Limmex for a revolutionary emergency watch project in association with Swisscom, a leading mobile operator. The Limmex watch allows people with particular care or security needs – such as children, lone workers and individuals with specific health issues – to call friends and family at the push of a button.

Beyond this, our solutions support eHealthcare programs that provide multiple benefits for governments, patients, health insurers and health professionals. By linking secure personal eID with connected IT systems, eHealthcare programs reduce the heavy administrative burden on public healthcare. They also help prevent fraud, streamline prescription processes, improve quality of care and simplify record management. Gemalto currently supports eHealthcare systems in Algeria, Azerbaijan, China, Finland, France, Gabon, Germany, Mexico, Puerto Rico and Slovenia.

Financial inclusion
Financial inclusion is key to the economic and social development of entire countries. Having a bank account makes it easier for people to save, access cash, pay bills, receive payments and develop a business. It also provides links with vital public and private services such as healthcare.

But globally, at least 2.5 billion adults\(^2\) do not have bank accounts. For most, formal banking services are not available, affordable or reachable. Many lack the formal identification papers required to open a bank account, some live in rural areas without access to retail banking, and others have too low an income to be serviced by traditional financial institutions. Strikingly though, most unbanked people do have access to a mobile phone, and this presents a valuable opportunity to address the issue.

Gemalto enables its customers to provide mobile financial services to more than one billion people. Our services are available to consumers using any type of mobile handset across all mobile infrastructures, maximizing reach and engagement.

\(^2\) Source: The Global Findex database
Working with our communities

We want to contribute to the communities we and our employees are part of – to help meet local needs and to build our reputation as a positive local employer.

Supporting our employees’ charitable activities

Launched in 2008, ‘Your World’ is our annual program for employee involvement in community projects. Employees can apply for ‘Your World’ funding for humanitarian and environmental projects, either as individuals or as part of a team. Applications are assessed by a panel of local managers and employees who look for projects that demonstrate strong personal involvement and, for group projects, team-building benefits.

‘Your World’ also encourages employees to give their time to the local community through specific volunteering events and campaigns. In addition, our individual sites enable employees to support other activities that target specific local issues by giving time, money or donations in kind.

‘Your World’ in 2015

In 2015, Gemalto supported a diverse range of 73 projects, involving more than 1,300 employees. Projects supported through ‘Your World’ included:

- renovating the facilities of a local organization that looks after children with special needs in Curitiba (Brazil);
- participating in a food collection campaign in Gémenos and La Ciotat (France);
- participating in a rubbish collect in the mountain of Xiang Ba La near Beijing (China); and
- helping build a new home for a family in need in Maryland (US).

Disaster relief

Gemalto’s disaster relief policy guides our response to sudden natural catastrophes such as earthquakes, tsunamis and floods. We respond to these types of disasters by providing technical help and guidance, and matching our employees’ donations. We only make donations to reputable not-for-profit, non-governmental organizations.

Supporting end-users

As a leader in digital security, we have a responsibility to help end-users understand the digital world and how they can get the most from the opportunities it offers. We provide advice and practical guidance in all areas of digital security through our consumer advice website – JustAskGemalto.com. Available in four different languages, it provides information on basic consumer issues and answers specific questions posted by users.

In 2015, we launched a responsive version of the website so that users can access it from any mobile device.
Environment

Providing unique bio-sourced banking cards in Denmark

Since March 2015, the Coop Bank in Denmark has been deploying Gemalto’s bio-sourced Optelio Contactless EMV cards. This represents the first commercial rollout of its kind, further strengthening the bank’s commitment to environmental sustainability. The cards are manufactured from a unique, corn-based PLA* material that is biodegradable, even though it is still capable of accepting creative, high-quality artwork.

*PLA: polyactic acid
Introduction

**OUR APPROACH**

We aim to reduce our environmental impacts and associated costs, and perform in a way that meets our customers’ expectations. To do that, we focus on three main elements:

- Applying eco-design principles in developing our products
- Supporting resource efficiency and environmental protection with our solutions
- Continuously reducing the environmental impacts of our activities

**KEY FIGURES**

<table>
<thead>
<tr>
<th>Sites with ISO 14001 Certification</th>
<th>% of workforce based at sites with ISO 14001 Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>63%</td>
</tr>
</tbody>
</table>

**Valorized Waste**

81%

**Water Consumption per Employee**

19 m³

**WHAT’S NEXT?**

- Sustain eco-design using smallest form factors and alternative materials
- Enlarge scope of the Green IT program and manage electricity savings program
- Deploy ‘HSE requirements’ new directive and the reporting tool
- Reduce impact of transporting products by switching freight modes

**25,000 Tons of CO₂ eq Offset since 2009**
Eco-products and solutions

Our strategy is to reduce the environmental impact of our products by applying eco-design principles and using fewer or alternative materials. This also answers our customers’ increasing demands to help them reduce the environmental impact of the products and services they deliver to their end-users.

Life-cycle assessment
We use Life-Cycle Assessment and Carbon footprint tools to measure the environmental impact of our activities and products, identify the main sources of impact and then define eco-design principles for the development of new products.

Alternative materials: Bio-sourced cards
In 2012, we issued the first bio-sourced banking card which only uses polylactic acid (PLA) for the plastic part of the card body. In 2014, we issued the dual interface version (contact and contactless). This has reduced environmental impact compared with traditionally used petroleum-based polymers and has great potential for further development.

Reduced weight: eco-friendly SIM cards, card readers and packaging
For mobile network operators, we have developed a range of eco-friendly SIM card bodies. These include half-sized bodies as well as SIMs with no extra card body that can be directly plugged into a handset. They represent 10% of our SIM card sales and save 120 tons of plastic. We’ve developed new manufacturing technologies to produce these cards.

We’ve also extended the principle of developing smaller products using eco-friendly materials to the creation of new lines in card readers and packaging.

Eco-labels, paper
To reduce the environmental impact of our paper and cardboard consumption, we use lighter products to reduce weight, as well as recycled and eco-labeled products. Our objective is to reduce weight overall by 5% per year. Our main actions are to reduce the number of printers, to set up recto-verso automatically on PCs, employees’ awareness campaigns.

Most of our communications are digital but where printed documents are indispensable we use recycled paper. Our print-on-demand platform enables employees who need to publish a commercial brochure to order the exact quantity they need, when they need them – which avoids the waste of over-ordering.

For our customers, Gemalto has developed a ‘PIN by SMS’ offer, avoiding paper printing and postage, and speeding up the service to cardholders by delivering instant access to the PIN code.
Preserving natural resources

We’re always working to minimize the use of resources in our operations, creating efficiencies and generating savings.

**Green IT**

Green IT is about measuring and reducing the environmental impact of IT products and services, both for internal or business use. The Green IT metrics we defined in 2014 are now measured annually, including electricity consumption, carbon footprint and printed paper. We also monitor the quality of our employees’ computers (with eco-labels).

The internal IT organization is enlarging its scope to involve more entities and promote wider adoption of best practices throughout the Company. In addition, a Green IT clause focusing on effective use of energy and carbon consumption is included in all new procurement contracts dealing with external data centers.

**Energy**

Gemalto’s main energy use is to power air-conditioning and heating installations in all our sites and machinery in our production facilities. Reducing our consumption and costs has long been a priority, and some of our sites have been ISO 14001 certified for a decade. Our target is a 5% year-on-year reduction in ratio company-wide, and we monitor energy usage in line with our corporate plans. Over the past ten years our main achievements have come through improvements to operational processes. Having introduced many successful measures, it is becoming increasingly challenging to meet our annual targets. In addition, Gemalto’s growing commercial success is resulting in increased orders and production, pushing up our energy consumption.

In 2013, we introduced an energy audit program which is supported by external energy-efficiency auditors. Sites now benefit from expert insights for improving their monitoring and action plans. We are working on a variety of site-specific actions to continue to reduce energy consumption.

In 2015, the total consumption of energy on 29 sites is about 130 GWh.

**Water consumption**

Our main water use is for sanitary purposes, green spaces and washing printing frames in some production facilities. Our policy is to reduce company-wide consumption by 5% per year in ratio. In 2015, the total water consumption on 27 sites was about 180,000 m³.

**Waste reduction and valorization**

To reduce and valorize (recycling or incineration with energy recovery) our waste, we focus on three key areas:

- Non-hazardous waste (plastic and module residues containing epoxy and metal).
- Standard office waste (paper, print cartridges and toners).
- Hazardous waste (including inks and solvents).

In 2015, the total weight of waste on 26 sites was about 6,100 tons. Our objective is to reduce overall waste by 5% in ratio per year and to achieve a 75% valorization rate. As a result of continuous improvement including separation for recycling of both plastic and lead-frame skeleton waste in our manufacturing processes, it is currently 81%.

**Supporting biodiversity**

Although our sector does not have a significant impact on biodiversity, many of our sites have implemented actions to preserve nature. In our Paris headquarters, we have put bee hives on the roof. Bees pollinate the surrounding area and the resulting honey is bought by employees. In most of our sites, we have green spaces for local species, supporting biodiversity and allowing rainwater infiltration.

Our annual Sustainable Development Days often highlight biodiversity issues such as beach cleaning, and planting trees or vegetable gardens. Activities involving our employees are organized through our “Your World” community program (see page 41).
Our response to climate change

Gemalto operates in a relatively low impact industry in terms of carbon emissions. As a result, we are not subject to climate change regulations other than reporting our greenhouse gas emissions in France. However, in recognition of the importance of addressing climate change, we have developed an ambitious voluntary program to measure our footprint and implement reduction actions worldwide.

Transportation of products
Since 2011, we have used our carbon measurement tool to calculate CO₂ emissions from freight. This covers our principal logistics suppliers who transport goods between Gemalto sites and deliver our products to customers.

Our policy is to promote low-emission modes of transport as much as possible:
- sea-based freight transportation;
- road over air when appropriate; and
- consolidated trucks, as opposed to dedicated trucks.

Measuring our global footprint
In 2012, we completed the measurement of our carbon footprint at all our sites. Our total Group-wide footprint was around 700,000 tons of CO₂ equivalent. Our most significant impacts come from raw materials in our production activities, which account for more than half of our emissions. The manufacturing of microprocessor chips is the single biggest contributor. Beyond this, product freight represents around 12% and business travel and energy consumption each around 10% of our total impact.

We looked at tons of CO₂ for all six greenhouse gases (GHGs) when calculating our total environmental footprint, following the French ‘Bilan carbone’ rules and the guidelines of the Carbon Disclosure Project (CDP).

While we do not measure our total global carbon footprint every year, we do measure our scope 1 and 2 emissions and some scope 3 emissions (as declared in CDP) annually. In the future, we plan to measure all our main sources of emissions annually to improve the monitoring of GHG savings.

Carbon offset
Our global carbon measurement program has been in place since 2006, enabling us to develop a carbon footprint modeling tool for our products. This helps our customers to calculate the CO₂ emissions associated with a product to identify possible improvements.

We also enable our customers to easily offset the CO₂ emissions associated with a product through our partnerships with CO₂Solidaire® and the Carbon Neutral Company®. The latter supports projects in developing countries that improve living conditions while reducing greenhouse gas emissions. In 2015, we sold nine million carbon offset cards. Since its launch in 2009, this offer has allowed to offset more than 25,000 tons of CO₂ eq (the equivalent of the emissions from powering 12,000 UK homes for a year).

Deploying reduction actions
Having a clear overview of our carbon footprint has helped us to tackle our most significant emissions through a range of actions:
- Microprocessor chips: our purchasing teams now request updated information from suppliers on the amount of CO₂ per product.
- Transportation: we include a footprint calculation tool in all standard supplier reports.
- Business travel: we target reductions in professional travel, mainly by promoting IT communication solutions such as instant messaging and video-conferencing.
- Product eco-design: we have provided training to our R&D and marketing teams to develop lower impact products.
- Energy consumption reduction: local action plans and our corporate energy audit program aim to identify energy efficiency opportunities.
- Waste reduction and recycling: a range of local actions to reduce waste production and increase valorization (recycling or incineration with energy recovery) of our waste.
- Commuting (travel from home to work): local actions to increase low-carbon modes of transport such as public transport, lift sharing, cycling, walking and working from home.

Gemalto Sustainability Report 2015
Our performance

Every year, we measure our performance against targeted objectives, evaluate the results and set new action plans.
## Performance indicators

### Business and customers

<table>
<thead>
<tr>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer satisfaction</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Customer survey results</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confidence index (out of 1,000)</td>
<td>G4 – PR5</td>
<td>705</td>
</tr>
<tr>
<td>% of satisfied and very satisfied customers in 'Tell Me' survey</td>
<td>G4 – PR5</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supply chain</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commitment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of suppliers who have signed the Purchasing CSR Charter among key suppliers. These suppliers represent more than 80% of our purchasing spending</td>
<td>G4 – EN32</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CSR on-site audits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of suppliers’ on-site audits that have been conducted on CSR topics during the year</td>
<td>G4 – LA15</td>
<td>20</td>
</tr>
<tr>
<td>Number of Zero tolerance items highlighted during CSR audits</td>
<td>G4 – EN33</td>
<td>0</td>
</tr>
<tr>
<td>Number of main weaknesses highlighted during CSR audits and addressed with supplier through improvement actions plan</td>
<td>G4 – EN33</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CSR evaluation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of spending of rated panel done with suppliers having an active whistleblowing procedure in place</td>
<td>G4 – EN33</td>
<td>76</td>
</tr>
<tr>
<td>% of spending of rated panel done with suppliers running audits or assessments on CSR with their own suppliers</td>
<td>G4 – EN33</td>
<td>77</td>
</tr>
</tbody>
</table>

*Emergency fire exit locked (rapidly resolved)*

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### Business and customers continued

<table>
<thead>
<tr>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>% of spending of rated panel done with suppliers having a formal code of business ethics</strong></td>
<td>61</td>
<td>66</td>
</tr>
<tr>
<td><strong>% of spending of rated panel done with suppliers reporting on energy use or GHG emissions</strong></td>
<td>69</td>
<td>76</td>
</tr>
<tr>
<td><strong>% of spending of rated panel done with suppliers ISO 14001 certified</strong></td>
<td>72</td>
<td>73</td>
</tr>
<tr>
<td><strong>% of purchasing spending done with suppliers assessed for CSR performance via an external third party</strong></td>
<td>69</td>
<td>77</td>
</tr>
<tr>
<td><strong>% of spending of rated panel done with suppliers reporting on Health &amp; Safety indicators</strong></td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Number of suppliers assessed for CSR performance via an external third party (desktop audit)</td>
<td>277</td>
<td></td>
</tr>
<tr>
<td>Number of suppliers re-evaluated via a desktop audit due to lack of maturity during initial evaluation</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Number of on-site re-audits due to the lack of CSR maturity during initial audit</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ISO 27001 certification</strong></td>
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<td></td>
</tr>
<tr>
<td>Number of certified sites</td>
<td>10</td>
<td>15</td>
</tr>
</tbody>
</table>

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**Key**

- Asia: Asia Pacific.
- EMEA: Europe, Middle East and Africa.
- Latam: Latin America.
- Noram: North America.

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**Note**

All measurements are metric.
### Performance indicators continued

#### People

<table>
<thead>
<tr>
<th>People</th>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headcount distribution %</td>
<td>G4 – 10</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>in Asia</td>
<td>G4 – 10</td>
<td>116</td>
<td>117</td>
</tr>
<tr>
<td>in EMEA</td>
<td>G4 – 10</td>
<td>39</td>
<td>38</td>
</tr>
<tr>
<td>in America</td>
<td>G4 – 10</td>
<td>96</td>
<td>96</td>
</tr>
<tr>
<td>Number of different employee’s nationalities</td>
<td>G4 – LA1</td>
<td>64</td>
<td>75</td>
</tr>
<tr>
<td>% of women (worldwide)</td>
<td>G4 – LA1</td>
<td>39</td>
<td>38</td>
</tr>
<tr>
<td>% of employees having permanent contract (worldwide)</td>
<td>G4 – LA1</td>
<td>776</td>
<td>751</td>
</tr>
<tr>
<td>Turnover rate %</td>
<td>G4 – LA1</td>
<td>7.7</td>
<td>10.2</td>
</tr>
</tbody>
</table>

#### People continued

<table>
<thead>
<tr>
<th>Recruitment and diversity</th>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of people recruited</td>
<td>G4 – LA1</td>
<td>1,387</td>
<td>2,082</td>
</tr>
<tr>
<td>Number of nationalities recruited</td>
<td>G4 – LA12</td>
<td>64</td>
<td>75</td>
</tr>
<tr>
<td>Recruitment by gender and position</td>
<td>G4 – LA1</td>
<td>1,120</td>
<td>1,331</td>
</tr>
<tr>
<td>Men</td>
<td>G4 – LA1</td>
<td>574</td>
<td>776</td>
</tr>
<tr>
<td>Exempt</td>
<td>G4 – LA1</td>
<td>546</td>
<td>555</td>
</tr>
<tr>
<td>Non-exempt</td>
<td>G4 – LA1</td>
<td>717</td>
<td>751</td>
</tr>
<tr>
<td>Women</td>
<td>G4 – LA1</td>
<td>276</td>
<td>310</td>
</tr>
<tr>
<td>Exempt</td>
<td>G4 – LA1</td>
<td>442</td>
<td>441</td>
</tr>
<tr>
<td>% of women recruited</td>
<td>G4 – LA1</td>
<td>39</td>
<td>36</td>
</tr>
<tr>
<td>Number of graduates hired directly from schools and universities</td>
<td>G4 – LA12</td>
<td>268</td>
<td>199</td>
</tr>
<tr>
<td>% of women graduates hired directly from schools and universities</td>
<td>G4 – LA12</td>
<td>38</td>
<td>34</td>
</tr>
<tr>
<td>% of expatriates within exempt population</td>
<td>G4 – LA12</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td>% of exempt employees working outside their country of origin</td>
<td>G4 – LA12</td>
<td>23</td>
<td>18</td>
</tr>
</tbody>
</table>

**Exempt employees**

“Exempt” employees are those who, because of their responsibilities and level of authority, are exempt from overtime provisions. As in other organizations, they are expected to work the time needed to accomplish their goals. They are most often found in managerial, supervisory, professional, administrative and other leadership roles.

**Non-exempt employees**

“Non-exempt” employees are those who, because of the type of duties they perform, their level of authority and method of payment, are subject to overtime provisions. They are therefore paid for all overtime hours worked.

<table>
<thead>
<tr>
<th>Key</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>Asia Pacific.</td>
</tr>
<tr>
<td>EMEA</td>
<td>Europe, Middle East and Africa.</td>
</tr>
</tbody>
</table>
### People continued

<table>
<thead>
<tr>
<th>Training</th>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training satisfaction (%)</td>
<td></td>
<td>79</td>
<td>80</td>
</tr>
<tr>
<td>Average hours of training per person trained (worldwide)</td>
<td>G4 – LA9</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Training budget (as % of total salaries)</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>% of Gemalto employees trained during the year (worldwide)</td>
<td>G4 – LA10</td>
<td>73</td>
<td>71</td>
</tr>
<tr>
<td>% of employees who received training with CSR content among all those trained during the year</td>
<td>G4 – LA10</td>
<td>14</td>
<td>31</td>
</tr>
</tbody>
</table>

### Health and safety

<table>
<thead>
<tr>
<th>OHSAS 18001 certification</th>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of certified sites</td>
<td>G4 – LA5</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>% of covered employees</td>
<td>G4 – LA5</td>
<td>62</td>
<td>55</td>
</tr>
<tr>
<td>Number of major non-conformities identified during third party OHSAS 18001 audits</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

### People continued

<table>
<thead>
<tr>
<th>Employees accidents/injuries (2014: 30 sites; 2015: 35 sites)</th>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of injuries with lost time (LTI) worldwide</td>
<td>G4 – LA6</td>
<td>66</td>
<td>67</td>
</tr>
<tr>
<td>Number of lost working days (LWD) worldwide</td>
<td>G4 – LA6</td>
<td>731</td>
<td>943</td>
</tr>
</tbody>
</table>

### Hazardous substances

| Number of hazardous substances concerned by REACH regulation (at end of year) | | 161 | 168 |
| Number of hazardous substances monitored by Gemalto | | 239 | 239 |

### Appraisal

| % of exempt employees with annual interviews (worldwide) | G4 – LA11 | 96 | 94 |

### Key

- **Asia**: Asia Pacific.
- **EMEA**: Europe, Middle East and Africa.
## Performance indicators continued

### People continued

<table>
<thead>
<tr>
<th>Employee satisfaction survey %</th>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Answer rate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>by position</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exempt</td>
<td>GA – LA1</td>
<td>85</td>
<td>84</td>
</tr>
<tr>
<td>Non-exempt</td>
<td>GA – LA1</td>
<td>80</td>
<td>79</td>
</tr>
<tr>
<td><strong>Satisfaction rate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>by position</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exempt</td>
<td></td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>Non-exempt</td>
<td></td>
<td>80</td>
<td>80</td>
</tr>
</tbody>
</table>

### Governance and compliance

<table>
<thead>
<tr>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal audit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal audits focused on fraud risk or partially motivated by fraud concerns</td>
<td>G4 – 303</td>
<td>17</td>
</tr>
<tr>
<td>Number of significant internal audit missions</td>
<td>G4 – 303</td>
<td>48</td>
</tr>
<tr>
<td><strong>Employee training</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees trained in fraud related matters</td>
<td>427</td>
<td>221</td>
</tr>
<tr>
<td>Number of awareness and training sessions on the Gemalto anti-fraud framework and generic anti-fraud awareness</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Employees trained in Code of Ethics, UK Bribery law, etc.</td>
<td>615</td>
<td></td>
</tr>
<tr>
<td>Employees trained in awareness of Contract Basics, Authority Limits, Authorized Signatories and Sexual Harassment</td>
<td>1,016</td>
<td></td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISO 9001 certification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of certified sites</td>
<td>G4 – PR4</td>
<td>30</td>
</tr>
<tr>
<td>% of covered employees</td>
<td>G4 – PR4</td>
<td>74</td>
</tr>
<tr>
<td>% of increase in significant customers’ claims compared to previous year</td>
<td>G4 – PR5</td>
<td></td>
</tr>
</tbody>
</table>
### Society and community

<table>
<thead>
<tr>
<th></th>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social benefits of our products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of people reached by our Mobile Financial services (millions)</td>
<td>999</td>
<td>1,070</td>
<td></td>
</tr>
<tr>
<td><strong>Online support for end-users/consumers (<a href="http://www.justaskgemalto.com">www.justaskgemalto.com</a>)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of new tips created and posted</td>
<td>111</td>
<td>94</td>
<td></td>
</tr>
<tr>
<td>Number of questions received from visitors</td>
<td>G4 – PR5</td>
<td>1,137</td>
<td>NA</td>
</tr>
<tr>
<td><strong>‘Your World’ corporate funding program</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of ‘employee-community’ projects funded</td>
<td>GA – S01</td>
<td>62</td>
<td>73</td>
</tr>
<tr>
<td>in Asia</td>
<td>GA – S01</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>in EMEA</td>
<td>GA – S01</td>
<td>19</td>
<td>24</td>
</tr>
<tr>
<td>in Latam</td>
<td>GA – S01</td>
<td>21</td>
<td>17</td>
</tr>
<tr>
<td>in Noram</td>
<td>GA – S01</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Number of Gemalto employees participating in ‘Your World’ program</td>
<td>GA – S01</td>
<td>538</td>
<td>1,326</td>
</tr>
<tr>
<td><strong>Total amount of social investment (in €)</strong></td>
<td>GA – S01</td>
<td>88,823</td>
<td>100,156</td>
</tr>
</tbody>
</table>

### Environment

<table>
<thead>
<tr>
<th></th>
<th>GRI G4 references</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ISO 14001 certification</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of certified sites</td>
<td>G4 – PR4</td>
<td>24</td>
<td>26</td>
</tr>
<tr>
<td>% of employees covered (worldwide)</td>
<td>G4 – PR4</td>
<td>70</td>
<td>63</td>
</tr>
<tr>
<td><strong>Energy (electricity, gas and fuel): consumption (MWh)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total consumption (2014: 21 sites; 2015: 29 sites)</td>
<td>G4 – EN3</td>
<td>118,118</td>
<td>130,325</td>
</tr>
<tr>
<td>Per employee</td>
<td>G4 – EN3</td>
<td>13.06</td>
<td>13.30</td>
</tr>
<tr>
<td>Per million of produced items</td>
<td>G4 – EN3</td>
<td>16.7</td>
<td>17.9</td>
</tr>
<tr>
<td><strong>Waste management (metric tons)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valorized waste</td>
<td>G4 – EN23</td>
<td>4,146</td>
<td>4,930</td>
</tr>
<tr>
<td>Non valorized waste</td>
<td>1,022</td>
<td>1,178</td>
<td></td>
</tr>
<tr>
<td>% of valorized waste (reused or recycled including energy recovery)</td>
<td>G4 – EN23</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td>G4 – EN25</td>
<td>338</td>
<td>470</td>
</tr>
<tr>
<td>Non hazardous waste</td>
<td>4,829</td>
<td>5,638</td>
<td></td>
</tr>
<tr>
<td><strong>Water consumption (m³)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total consumption (2014: 21 sites; 2015: 27 sites)</td>
<td>G4 – EN8</td>
<td>145,003</td>
<td>176,726</td>
</tr>
<tr>
<td>Consumption per employee</td>
<td>G4 – EN8</td>
<td>16.03</td>
<td>18.87</td>
</tr>
<tr>
<td><strong>Carbon footprint</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transport</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total CO₂ eq tons emissions linked to products transportation (outgoing freight)</td>
<td>G4 – EN30</td>
<td>56,957</td>
<td>54,365</td>
</tr>
<tr>
<td>% of transportation expenses covered by CO₂ reporting</td>
<td>G4 – EN30</td>
<td>50</td>
<td>46</td>
</tr>
<tr>
<td><strong>Energy</strong> (2014: 21 sites; 2015: 29 sites)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO₂ eq emissions, linked to energy consumption (scope 1 &amp; 2) in certified sites</td>
<td>G4 – EN15</td>
<td>48,627</td>
<td>52,337</td>
</tr>
<tr>
<td><strong>Products</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of carbon compensated cards produced (millions)</td>
<td>G4 – EN18</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Small SIM cards as % of total SIM card sales</td>
<td>14</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

**Key**

Asia: Asia Pacific.
EMEA: Europe, Middle East and Africa.
Latam: Latin America.
Noram: North America.
Glossary of digital security terms

**3FF (Third Form Factor):** A very small SIM card, also known as a ‘micro-SIM’, for use in small mobile devices.

**4FF (Fourth Form Factor):** An even smaller SIM card, also known as a ‘nano-SIM’, for use in small mobile devices.

**3G (Third Generation):** The broadband telecommunications systems that combine high-speed voice, data and multimedia.

**4G:** The 4th generation of wireless standards offering a comprehensive, secure all-IP based mobile broadband solution to smartphones, laptop computer wireless modems and other mobile devices.

**Back-end:** Here, describing a remote platform or server that stores and processes data without direct access by the user; whereas ‘front-end’ refers to an application or interface accessed directly by the user.

**Big data:** A collection of data sets so large and complex that they are difficult to process with traditional applications.

**Bluetooth:** A short-range wireless technology that simplifies communication and synchronization between the internet, devices and other computers.

**BYOD (Bring Your Own Device):** Using one’s personal device (e.g. smartphone, laptop, tablet, etc.) for professional purposes in the workplace.

**CAC (Common Access Card):** A US Department of Defense smart card issued as standard physical and network identification for military and other personnel.

**Cell/cellular:** Indicates the way any mobile network covers a geography, by cells, each cell being covered by a tower. A mobile phone keeps hopping on and off each contiguous cell, as it moves.

**Client:** A software application that runs on a personal device and relies on a server to perform some operations (see ‘thin client’).

**Cloud computing:** Computing by using servers, storage and applications that are accessed via the internet.

**Contactless:** A device that communicates by means of a radio frequency signal, eliminating the need for physical contact with a reader.

**CRM:** Customer Relationship Management.

**DDA (Dynamic Data Authentication):** An authentication technology that allows banks to approve transactions at the terminal in a highly secure way.

**DI (Dual-Interface):** A device that is both contact and contactless.

**Digital signature:** An electronic signature created with a public-key algorithm that can be used by the recipient to authenticate the identity of the sender.

**Dongle:** Any small piece of hardware that plugs into a computer.

**EAC (Extended Access Control):** A mechanism enhancing the security of ePassports whereby only authorized inspection systems can read biometric data.

**eBanking:** Accessing banking services via the internet.

**eCommerce:** Buying and selling goods and services via the internet.

**eDocument:** Any of a range of electronic documents, including electronic ID cards, Drivers’ Licenses, Health cards, etc.

**eGovernment:** The use of digital technologies (often via the internet) to provide government services. Second generation eGov 2.0 programs aim to increase efficiency, lower costs and reduce bureaucracy.

**eID:** Personal identification using a variety of devices secured by microprocessors, biometrics and other means.

**EMV:** The industry standard for international debit/credit cards established by Europay, MasterCard and Visa.

**ePassport:** An electronic passport with high security printing, an inlay including an antenna and a microprocessor, and other security features.

**ePurse:** A small portable device that contains electronic money and is generally used for low-value transactions.

**eTicketing:** Electronic systems for issuing, checking and paying for tickets, mainly for public transport.

**FIPS 201 (Federal Information Processing Standard):** A US federal government standard that specifies personal identity verification requirements for employees and contractors.

**GSM (Global System for Mobile communications):** A European standard for digital cellphones that has now been widely adopted throughout the world.

**GSMA (GSM Association):** The global association for mobile phone operators.

**HSPD-12 (Homeland Security Presidential Directive-12):** Orders all US federal agencies to issue secure and reliable forms of identification to employees and contractors, with a recommendation in favor of smart card technology.

**IAM:** Identity and Access Management.

**ICAO (International Civil Aviation Organization):** The UN agency which standardizes machine-readable and biometric passports worldwide.

**IM (instant messaging):** Using text on a mobile handset to communicate in real time.
Glossary

IoT (Internet of Things): The network of connected objects and devices that are embedded with software so they can collect and exchange data.

IP (Internet Protocol): A protocol for communicating data across a network; hence an IP address is a unique computer address using the IP standard.

Java: A network oriented programming language invented by Sun Microsystems and specifically designed so that programs can be safely downloaded to remote devices.

LTE (Long Term Evolution): The standard in advanced mobile network technology, often referred to as 4G (see above).

M2M (Machine-to-Machine): Technology enabling communication between machines for applications such as smart meters, mobile health solutions, etc.

mBanking (mobile banking): Conducting various banking and financial transactions through a mobile device connected to the internet.

mCommerce (mobile commerce): Buying and selling goods and services using a mobile device connected to the internet.

MFS (Mobile Financial Services): Banking services such as transfer and payment available via a mobile device.

Microfinance: A means of offering a range of financial services to economically poor people who do not have bank accounts and so enabling financial inclusion.

MIM (Machine Identification Module): The equivalent of a SIM with specific features such that it can be used in machines to enable authentication.

MMS (Multimedia Messaging Service): A standard way of sending messages that include multimedia content (e.g. photographs) to and from mobile phones.

MNO (Mobile Network Operator): A company that provides services for mobile phone subscribers.

Module: The unit formed of a chip and a contact plate.

mPayment (mobile payment): Using a mobile handset to pay for goods and services.

Multi-tenant SIM: A device capable of carrying multiple IDs and shared by multiple service providers.

NFC (Near-Field Communication): A wireless technology that enables communication over short distances (e.g. 4cm), typically between a mobile device and a reader.

OMA (Open Mobile Alliance): A body that develops open standards for the mobile phone industry.

OS (Operating System): Software that runs on computers and other smart devices and that manages the way they function.

OTA (Over-The-Air): A method of distributing new software updates to cellphones which are already in use.

OTP (One-Time Password): A password that is valid for only one login session or transaction.

PC: Personal computer.

PIN (Personal Identification Number): A secret code required to confirm a user’s identity.

PKI (Public Key Infrastructure): The software and/or hardware components necessary to enable the effective use of public key encryption technology. Public Key is a system that uses two different keys (public and private) for encrypting and signing data.

Platform: A system’s underlying software that enables a service.

Server: A networked computer.

SIM (Subscriber Identity Module): A smart card for GSM systems.

SMS (Short Message Service): A GSM service that sends and receives messages to and from a mobile phone.

Thin client: A software application designed to be especially small so that the bulk of the data processing occurs on a central server. By contrast, a fat client does as much local processing as possible.

TSM (Trusted Service Manager): A third party enabling mobile operators, mass transit operators, banks and businesses to offer combined services seamlessly and securely.

UICC (Universal Integrated Circuit Card): A high-capacity smart card used in mobile terminals for GSM and UMTS/3G networks.

UMTS (Universal Mobile Telecommunications System): One of the 3G mobile telecommunications technologies which is also being developed into a 4G technology.

USB (Universal Serial Bus): A standard input/output bus that supports very high transmission rates.

USIM (Universal Subscriber Identity Module): A SIM with advanced software that ensures continuity when migrating to 3G services.

VPN (Virtual Private Network): A private network often used within a company or group of companies to communicate confidentially over a public network.
Inspired to know more?

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