Gemalto Modern Slavery Act Statement

Introduction

Gemalto UK limited is committed to combating slavery and human trafficking.

Our organisation’s structure

Since 2 April 2019, The Gemalto group of companies has been part of the Thales Group. This includes Gemalto UK Limited.

Thales is a global technology leader in the aerospace, transportation and defence and security markets. In 2017, the company generated revenues of €15.8 billion with 65,000 employees in 56 countries.

In the UK Thales has approximately 6,500 employees, including 4,500 highly skilled engineers, across ten key UK sites. In 2017, Thales UK’s revenues were around £1.3 billion.

The business of Thales includes research, development, manufacture and supply of technology and services within the Aerospace, Defence, Security, Transportation and Space sectors. Its effective and innovative strategies play a leading part in shaping the steady convergence of military and civil technologies for both domestic and export markets. Thales works with its customers to create a safer world by providing tools needed to perform critical tasks through enhanced information gathering, decision making and communication. Some examples showing Thales breadth of activities include the following:

- Thales secures the information systems of 19 of the world’s 20 largest banks;
- Thales provides the UK Royal Navy with the key situational awareness sensors and systems to allow the fleet to operate effectively at sea;
- Thales is currently working with Transport for London to deliver the Four Lines Modernisations (4LM) programme. The project will upgrade the signalling systems of four London Underground lines;
- In October 2016, Thales opened the UK’s first Electric Propulsion Manufacturing facility in Belfast to make state of the art propulsion systems for satellites.

Most of Thales’s business activities are technology intensive, making innovation a strategic priority and the driving force behind the long-term development of the company. This means that a highly skilled and motivated workforce is essential. Its resourcing process uses reputable recruiting companies that are required to comply with the MSA conditions set out in Thales UK terms and conditions of purchase.

As required by the legislation, Thales UK Limited issues its own Modern Slavery Act Statement which is available on the Thales Group website. In coming years it is expected that Gemalto and Thales processes will align and a joint statement will be issued.

Currently, Gemalto UK limited remains a directly owned subsidiary of Gemalto N.V.. Gemalto N.V is now wholly owned by Thales SA. The Gemalto group of companies have been brought together with certain other digital security assets already owned by Thales to form a new business area called Digital Identity and Security (DIS).

Our Business

This statement covers the 2018 financial period which ended on 31 December 2018. Throughout this period Gemalto was an independent company and the following statements and processes were true and remain true today:

Gemalto, is the global leader in digital security. We bring trust to an increasingly connected world.
From secure software to biometrics and encryption, our technologies and services enable businesses and governments to authenticate identities and protect data so they stay safe and enable services in personal devices, connected objects, the cloud and in between. Gemalto’s 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. Gemalto worldwide has 15,000 employees that operate out of 114 offices, 40 personalization and data centers, and 35 research and software development centers located in 47 countries. Gemalto UK Limited has 340 employees in the UK located on 5 sites.

Gemalto Group continues to support and comply with The United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) 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 Global Compact’s Ten Principles.

Our own HR rules meet and in some cases exceed local rules and regulations, helping to ensure we avoid potential risks. We work closely with our suppliers to develop a high-quality, reliable supply chain that supports our business objectives and meets our high ethical standards. Everyone at Gemalto who is involved in purchasing follows a well-established social responsibility evaluation process that supports the delivery of Purchasing Corporate Social Responsibility (CSR) objectives.

Our supply chains

Gemalto’s supply chain covers all the needs of our business, from components and materials used to manufacture our products, to miscellaneous services supporting our operations through a mix of global, regional and local suppliers depending on the specificity of such needs.

Our approach to preventing slavery and human trafficking in our business and supply chain

Gemalto is committed to ensuring that there is no slavery or human trafficking in our supply chain or in any part of our business.

Our Code of Ethics reflects our commitment to acting ethically and with integrity in all our business relationships.

Our HR rules meet and in some cases exceed UK rules and regulations, helping to ensure we avoid potential risks from slavery and human trafficking.

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 United Nation Global Compact best practices for the electronics industry.

We follow a four-step process:

1. Suppliers’ adhesion to our values

99% of our main suppliers (representing more than 80% of Gemalto’s spending worldwide) have agreed and signed up to the Gemalto Purchasing CSR Charter. This ensures they endorse these values as a basis for themselves and within their own supply chain.

The first of the 10 items of our Purchasing CSR charter is concerning the “Abolition of forced labour” (C029, C105). "Gemalto expects its suppliers to enforce, as a minimum requirement, the ILO conventions, even in countries that have not signed them, and additionally any specific national or international regulations related to their activities, in fields such as labour, under written contracts and disciplinary code which shall exclude any abuse or harassment and prohibiting irregular work, anti-corruption, environment, health and safety."
In 2016, we updated our CSR charter, committing to source only conflict-free minerals for all products delivered to Gemalto and to ensure suppliers provide basic living needs through fair and reasonable wages without excessive working hours. We include a CSR clause which sets out our expectations and required standards (including ILO convention, Human Rights and UN Global Compact Principles) in our supply chain vendors' contracts.

2. Evaluating our main suppliers' maturity

Our risk analysis, delivered by an independent third party, involves supplier self-declaration of social, ethical, environmental and supply chain policies covering more than 80% of Gemalto's worldwide spending.

3. Developing our suppliers' performance

Site audits around the world are undertaken by an international third party to help ensure we retain the best suppliers and support them to meet our high ethical standards, with a particular focus on subcontractors and sensitive activities. We aim to work collaboratively with our suppliers, helping them to improve performance through detailed corrective action plans. These are followed up with progress checks and additional site visits whenever required.

4. Training in continuous improvement

We require our suppliers to undertake eLearning sessions to improve their CSR maturity.

To help our own employees minimize procurement risks, in particular those associated with CSR issues, we run purchasing process awareness campaign and train our purchasing teams on conflict-free mineral sourcing. We also identified procurement risks and defined best practices.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015, and constitutes our slavery and human trafficking statement for the financial year ending December 2018.

This statement has been approved and is signed by:

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<th>Signed for and on behalf of:</th>
<th>By (Signature):</th>
<th>Name, Title and Date</th>
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<tbody>
<tr>
<td>Gemalto UK Limited</td>
<td></td>
<td>Name: Howard Berg</td>
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