Trust. Every day

Improving health in Africa

In sub-Saharan Africa, mobile phone technology can be life-changing. Or even life-saving. We’re using it, for example, to reach over 15 million pregnant women and mothers of young children, to improve their health and nutrition. As part of the mobile industry’s pan-African m-Health initiative, our SmartMessage interactive messaging system links patients with health professionals to deliver free, targeted advice on basic phones. The program was launched in seven countries in 2014 and plans to add another four in 2015.
Our approach
Sustainability in focus
Our approach to sustainability

Our sustainability priorities

1. Supporting our customers
   Our customers’ evolving needs are at the heart of our business. We aim to build trusting long-term relationships with new and existing customers while working with them to develop innovative solutions that improve people’s digital lives.

2. Reducing our environmental impact
   Managing our impact on the environment is not only a moral responsibility and a regulatory requirement, it is a commercial opportunity. By reducing our energy use, water consumption and waste, we help our clients achieve their environmental objectives while reducing costs for our own business.

3. Valuing our people
   Gemalto is built on the outstanding ingenuity and motivation of its people. To maintain our world-leading position, we need to attract, nurture and retain a talented, diverse and innovative workforce.

4. Managing our business responsibly
   Our relationships depend on strong governance and sound business ethics. We build trust with our clients by behaving with integrity. We manage our risks through robust systems and policies. And we engage with employees and suppliers to improve environmental, social and ethical standards throughout our supply chain.

Highlights

- **Investment in R&D in 2014**: €180m
- **Signed Suppliers’ Charter**: 100% of Tier 1 corporate suppliers
- **ISO 14001 Certifications**: 24 sites
- **Environment**: 10 million carbon offset cards sold in 2014
- **Customers ‘satisfied’ or ‘very satisfied’ with Gemalto**: 84%
- **Diversity**: 1. Women 39% 2. Men 61%
- **Number of employees’ nationalities**: 116 across 46 countries
- **CSR Rating from EcoVadis based on performance in 2014**: Gold

“Being a leader in digital security is a big responsibility. Our solutions touch billions of people’s lives around the world. Only by operating sustainably and collaborating with our customers can we continue to deliver the best long-term solutions for society.”

Further information about our sustainability policies and performance can be found at www.gemalto.com/companyinfo/sustainability and in our Sustainability Report (published May 2014).
What we stand for
Our purpose is to enable our customers to offer their services to billions of individuals in trusted and convenient ways. This means we can have a positive impact on people’s lives, from supporting health and welfare systems to promoting financial inclusion.

We first signed up to the United Nations Global Compact in 2009, and every year since then we have reviewed our progress and reported against its ten principles.

By April 2015 we will have produced six stand-alone Sustainability Reports, and we continue to benchmark our performance against other world-class companies to identify ways we can improve.

Managing sustainability
At Gemalto, sustainability is managed from Boardroom to site level, and everyone plays a role. The Board is ultimately responsible for the Company’s sustainability vision and performance.

The Sustainability Board is chaired by the CEO and drives strategy and policy development. Reporting to it is the Sustainability Steering committee, which includes members of the Sustainability Board and representatives from most business functions. They work together to identify and implement action, engaging with site managers around the world.

Engaging with our stakeholders
Our stakeholders help us to focus our sustainability efforts and improve our performance – and then share information about it in a transparent manner. Our primary stakeholders are those that have the greatest influence on our performance.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>How we engage with them</th>
<th>2014 highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our customers</td>
<td>Constant, open dialogue, Annual ‘Tell Me’ client survey, Seminars and workshops, CSR questionnaires, JustAskGemalto.com – consumer advice website</td>
<td>350 ‘Tell Me’ interviews, 84% clients ‘satisfied’ or ‘very satisfied’, 1,100+ questions through JustAskGemalto.com</td>
</tr>
<tr>
<td>Our employees</td>
<td>Annual ‘PeopleQuest’ employee survey, Employee induction, training and performance management, Gemalto Sustainable Development Day, Whistleblower hotline</td>
<td>83% response rate in ‘PeopleQuest’ survey, 82% satisfaction rate</td>
</tr>
<tr>
<td>Our suppliers</td>
<td>CSR Purchasing Charter, Supplier audits, Quarterly Business Review meetings</td>
<td>Purchasing Charter signed by 100% of Tier 1 suppliers, 17 audits carried out</td>
</tr>
<tr>
<td>Our investors</td>
<td>Annual Report, Sustainability Report and press releases, Road shows and conference calls, Face-to-face meetings</td>
<td>“Best Investor Relations Program” (Technology/Software) Institutional Investor magazine (also in 2013), 324 face-to-face meetings</td>
</tr>
<tr>
<td>Our communities</td>
<td>Recruitment and training in the countries where we do business, Your World – community volunteering program</td>
<td>500+ employees took part in local community projects</td>
</tr>
</tbody>
</table>
Sustainability in focus

Supporting our customers
Our purpose is to enable our customers to offer trusted and convenient digital services to billions of people. To do this, we aim to develop soundly based relationships that build confidence in our ability to meet their evolving needs.

Our ‘Tell Me’ survey is our annual customer listening program. In 2014, we commissioned independent interviews with 350 clients, representing the majority of our worldwide revenue. 84% of those interviewed said they were either ‘satisfied’ or ‘very satisfied’ with Gemalto.

Innovating for the long term
Innovation is essential if we are to develop services and technologies adapted to our rapidly changing markets. We have an exceptional pool of talent which includes some 2,500 engineers based in 24 R&D centers worldwide. They help our customers deliver secure, sustainable solutions to their end-users.

Responsible solutions
Our solutions help tackle some of society’s biggest challenges. One focus is on those that underpin health and welfare services. This is critical in many countries and, with the global population growing and ageing, new answers are needed fast. As an example, we are providing technological support for the pan-African mHealth Initiative (PAMI) which makes use of the mobile ecosystem (see page 30).

Eco-design
We constantly aim to decrease the environmental impact of our products. We do this both by reducing the amount of materials used in production, and by selecting those that are more sustainable. With carbon footprint modeling and life-cycle assessment we assess the impact of existing products and apply eco-design principles to new ones.

We use polylactic acid (PLA) for the bodies of our bio-sourced banking cards, and we have recently completed this range with the inclusion of contactless cards. We are also developing smaller SIM card bodies and working with customers to promote product recycling.

Reducing our environmental impact
We are continually looking for ways to reduce the environmental impacts of our own operations and those of our supply chain.

Managing our impacts
Our Environmental Management System ensures we continuously improve our performance and comply with national and international regulations. 24 of our sites – including all our production facilities, several personalization centers and two main offices, covering over 70% of our workforce – are now ISO 14001 certified and audited annually.

Reducing our carbon footprint
We launched our carbon footprint program in 2009 and by 2012 we had completed carbon assessments of every site. Over half our emissions are from raw materials used in production, followed by freight (20%) and business travel and energy consumption (10% each). We are focusing on these activities to reduce our carbon footprint, and are monitoring our performance annually. We also enable our customers to offset the carbon emissions linked to the products they buy from us.

Energy and transport
We mainly use energy for heating and air-conditioning at our sites, and for powering equipment. We aim to diminish this consumption every year. We also promote low-emission modes of transport in our supply chain.

Water and waste
Our policy is to progressively decrease our water usage, and between 2009 and 2013 we achieved a 31% reduction per employee. We also aim to reduce waste and increase valorization. While numerous site moves have generated more waste in the short term, we have nevertheless exceeded our valorization targets through continuous improvement and increased recycling.
Valuing our people
Our Human Resources strategy is founded on eight pillars comprising:

- Recruitment
- Management by objectives
- Training
- Compensation and benefits
- Mobility
- Promotion from within
- Diversity
- Ethics and community

Three of these are highlighted below. All are examined in more detail in our separate Sustainability Report, published in April 2015. The success of this people-centric strategy is reflected in the results of the 2014 ‘PeopleQuest’ survey, in which 82% of employees declared their satisfaction with Gemalto.

Recruitment
Hiring the right people is key to the Company’s continuing success. Our recruitment strategy is therefore based on certain key criteria that help us ensure a fair and ethical approach while selecting the best talent available. We then apply our integration processes to ensure that new employees rapidly acquire an understanding of our culture and a sense of belonging within Gemalto.

Training and development
The digital world is rapidly evolving, and ensuring our people continue to lead the way is a top priority. We invest 2% of our total salary costs in training. Key programs include the ‘Gemalto University’ for future leaders; ‘SKY’ for our sales force; ‘BIG’ to foster innovation; and a global CSR training initiative.

Diversity
We believe that the makeup of our workforce should reflect the global diversity of our customers and the markets they serve. In 2014 51% of our employees came from Europe, the Middle East and Africa, 27% from Asia and 22% from North, South and Central America. Women represented 39% of new recruits.

A safe place to work
In addition to developing practices in line with our eight pillars, we are also dedicated to providing a safe environment for our employees and visitors. All our production areas and our two main administration sites are covered by OHSAS 18001, covering 67% of our employees. In addition, we run awareness and training programs and conduct regular audits to help reduce the main risks.

Managing our business responsibly
We strive for the highest standards of corporate governance, and aim to conduct our business with honesty and integrity.

A responsible supply chain
Our direct supply chain includes over 360 companies. We work with them to improve the sourcing of raw materials, labor policies and practices, environmental management and transport. Our responsible purchasing model is based on UN Global Compact best practice. In 2014, we carried out 17 supplier audits.

Ethics and governance
Strong governance and business ethics sit at the heart of our global development, such that every new employee is required to sign the Gemalto Code of Ethics. Our governance structure is covered on pages 59-64.

Identifying and managing risk
Our approach to the identification, management and control of the risks associated with our activities is explained on pages 38-43 of this report.

Control and compliance
Gemalto applies a series of management systems that drive the Company’s overall performance. There is a particular focus on the quality and reliability of our operations, products and services. We also comply with a number of external standards, laws and treaties including:

- The Universal Declaration on Human Rights, the International Labor Organization Standards and the ten principles of the UN Global Compact.
- International, regional and local laws and regulations related to customers and trade.

In addition, our Anti-fraud Framework includes regular internal and contractor audits, and is supported by a whistleblower hotline.

Monitoring and verification
Our systems include the regular monitoring of our activities to ensure they comply with a wide range of external standards and regulations. These include:

- Quality (ISO 9001), Environment (ISO 14001), Heath and Safety (OHSAS 18001) and Security (ISO 27001).
- RoHS, REACH and WEE regulations.

In addition, our internal management and control systems are systematically assessed and tested by our Internal Audit department. Its work conforms to the International Standards for the Professional Practice of Internal Auditing (for more information see pages 42-43).