By checking ocean conditions, including waves, currents, water depth, temperature and salinity, port authorities can improve navigation safety, streamline ship traffic and increase productivity. But ensuring the information is available all the time and in all conditions requires a highly robust and reliable system. Gemalto’s M2M technology is being used in an innovative IoT solution to relay data in Porto do Açu, Rio de Janeiro, optimizing safety and efficiency in a hostile but strategically important environment.
Sustainability

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Sustainability overview

WHAT WE STAND FOR

Being a leader in digital security, our solutions help billions of people every day. We enable our customers to offer their services in trusted and sustainable ways. We also aim to make the most of our opportunities for contributing to society – from supporting health and welfare systems to promoting financial inclusion.

Our 2015 materiality analysis

In 2015, we carried out an extensive analysis to identify and prioritize the issues that are important to Gemalto’s various stakeholders. To do this, we surveyed over 1,200 Gemalto managers, employees, investors, customers and suppliers to understand which they deem to be important and to what degree. This provided valuable insights including:

- There is particularly strong alignment between Gemalto management and the other stakeholders about materiality;
- Business & Customers, Governance & Compliance, and People topics generally rank in the high and very high bands, while Environmental issues are of moderate or lower importance. Society & Community topics are relatively evenly distributed;
- Data security, privacy and confidentiality emerge as the most important topics.

As a result, we intend to re-balance certain items in our sustainability programs and reporting.

Managing sustainability

At Gemalto, sustainability is managed from Boardroom to site level and everyone plays a part.

The Board of Directors

The Gemalto Board is ultimately responsible for the Company’s sustainability vision and performance.

The Sustainability Board

Chaired by the CEO, the Sustainability Board drives strategy and policy development.

The Sustainability Steering committee

Reporting to the Sustainability Board, the Sustainability Steering committee includes representatives from most business functions. They identify and implement actions and engage with site managers and employees around the world.

Strong governance and business ethics sit at the heart of our global development, and we expect every employee to sign the Gemalto Code of Ethics. Our governance structure is covered in detail on pages 51–57 of this report.

Our focus areas

While our priorities remain the same as ever, we have reorganized the grouping of topics to better reflect the results of the materiality analysis. In this report we address some of the issues it identified as being of ‘very high’ and ‘high’ importance.

All topics will be examined in more detail in our 2015 Sustainability Report to be published in April 2016, including details of the materiality process and matrix.
Sustainability focus

Business & Customers
We are constantly developing our business in line with our customers’ evolving needs. We aim to build trusting, long-term relationships with them, working together to develop innovative solutions that improve people’s connected lives.

Data security
Data security is a critical and increasingly complex challenge for every organization. Due to the nature of our business, we process significant amounts of data every day. It’s vitally important that we’re trusted to manage the confidentiality and privacy of this data for all our customers, their end-users, our employees and suppliers.

Our Corporate Security and IT departments are responsible for managing data at all our sites. We apply stringent safeguards through a worldwide Security Management System (SMS). Implementation is assured by a global network of security officers, as well as comprehensive employee training. In 2014, we were the first company to achieve the highest security printing standard, ISO 14298 certification, on all its ID document production sites.

Investing in R&D
We’re constantly researching and innovating new ideas to address our clients’ evolving needs, responding to digital opportunities and enhancing security across rapidly changing markets.

We have some 3,000 engineers based in 27 Research and Software Development centers worldwide working to ensure our customers can deliver secure, sustainable solutions to their end-users. To support them, we’ve strengthened our up-stream research to inform product development through a central market research team. Our IDEAS Hub – an online consumer co-creation community – is also being used to test new concepts and generate insights about several new projects.

Ensuring business continuity
Our robust crisis management and business continuity response plans ensure we are resilient in the face of unforeseen events. Our approach to identifying, managing and controlling risks associated with our activities is explained in detail in the Risk section on pages 34-41 of this report.

Managing our supply chain
We work closely with our suppliers to develop a responsible supply chain that supports our business objectives, meets high ethical standards and ensures we treat them fairly.

Our responsible purchasing policies are based on United Nations Global Compact best practice. We set out what we expect of suppliers and how we intend to work with them in our CSR Ethical Purchasing Charter. Our comprehensive Supplier Relationship Management process includes regular business reviews to help identify and address issues together. We also support our suppliers in implementing Continuous Improvement Plans which enhance efficiency and sustainability across our supplier networks.

Since 2014, 100% of our main suppliers have signed the Charter, and we have carried out 43 on-site supplier audits to evaluate compliance. We also dedicated our 2015 CSR Employee Awareness Day to responsible purchasing and held a dedicated training event for suppliers in Asia to build understanding of our Sustainable Purchasing Policy.
Sustainability focus continued

People

Gemalto’s success is built on the ingenuity and commitment of its people. We base our people management approach on a culture of strong ethics and innovation – ensuring that we continue to attract, nurture and retain a talented and diverse workforce.

Attracting and developing talent

To maintain our world-leading position, we need to hire the best engineers and the most creative people to ensure we’re capable of developing the market-leading solutions of the future. Our ambitious talent acquisition strategy includes the ‘REFER!’ employee referral system, our University Relations Program, and a growing online and social media presence. In 2015, we recruited over 2,000 people across 43 countries.

We invest about 2% of salary costs in training and development. Our Induction and Newcomer Orientation are available to all new recruits, and the Gemalto Connection Program and University Discovery Program are designed to develop our best new employees.

In 2015, some 9,000 employees received training, with 80% satisfaction.

Wellbeing and work-life balance

We’re convinced that the wellbeing of our employees is a key factor in the performance and competitiveness of our business. In 2015, our annual ‘HR & Me’ day included a major focus on health and wellbeing. Topics included issues such as nutrition, sleep and exercise, stress management, how to set up a healthy workspace and the benefits of preventive medical checks.

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

Health and safety

It’s vital we provide a safe environment for all our employees and visitors. Our Human Resources and Health & Safety management systems are designed to reduce the risks and ensure continuous improvement across our operations. All our production areas and our two main administration sites have achieved OHSAS 18001 accreditation, covering 55% of our employees. We run awareness and training programs and conduct regular audits to help reduce the risks, with a particular focus on high-risk activities such as:

- Handling hazardous substances used in production;
- Ergonomics and musculoskeletal disorders (MSD);
- Manufacturing equipment, forklifts and pallet trucks; and
- Commuting and business travel.

Equal opportunities and diversity

We believe our business benefits most from a workforce that reflects the global diversity of our customers and the markets they serve. In 2015, 48% of our employees came from Europe, the Middle East and Africa, 27% from Asia and 25% from the Americas.

We also encourage the recruitment of women, as well as their development and promotion into Senior Management positions. In 2015, 36% of new recruits were women and, as of December 2015, two of our eight Senior Management team members and three of our 11 Board members were women.
Society & Community

Digital technology can have positive benefits for people all over the world. We work with others to contribute solutions that meet social needs and help communities everywhere feel secure in their digital lives.

Data privacy and confidentiality

Our technology gives people the confidence they need to make the most of the connected world. This is crucial, because as the world becomes increasingly digital, people are benefiting from greater opportunities but also facing increasingly complex risks. In 2015*, an average of 1.4 million data records were breached per day, driving individuals and organizations to become more and more concerned about keeping data and identities safe.

We’re currently working to promote industry-wide solutions aimed at improving data privacy and confidentiality. These include a ‘Privacy by Design’ label which is being integrated within the forthcoming EU data privacy regulation. It would be approved by certification authorities and displayed by online service suppliers.

Products with social impact

Our solutions help tackle some of society’s major challenges – from financial inclusion to efficient and accessible health and welfare services. These include:

- Technological support for the pan-African mHealth Initiative (PAMI) which aims to provide nutrition and health information to over 15 million pregnant women and mothers in sub-Saharan Africa;
- Solutions that enable our customers to provide mobile banking to millions of people, improving reach and accessibility to financial services among local communities;
- Tele-health solutions that help clients deliver health services in an efficient way;
- Smart card based technology which supports governments in improving road safety; and
- A smart grid solution which promotes energy efficiency.

Environment

We’re always working to reduce the environmental impact of our operations – creating efficiencies, driving innovation and sharing the benefits with our customers.

Eco-design products

As demand for sustainable solutions continues to grow, reducing the environmental impact of our offer is a commercial opportunity. Our strategy is to develop a range of products that are more environmentally friendly, use fewer materials and make the most of sustainable technology.

We use life-cycle assessment and carbon foot-printing to inform the design and development of these products which include:

- A bio-sourced banking card which replaces the use of plastic in the card body with polylactic acid. This has a reduced environmental impact compared with traditionally used petroleum-based polymers;
- Smaller SIM cards; and

Energy and climate change

We first launched our carbon footprint program in 2009 to help monitor and reduce the emissions from our operations. Our focus is on reducing emissions from freight, minimizing business travel and lowering our energy usage. We aim to cut company-wide energy consumption by 5% year-on-year.

We also enable our customers to offset the carbon emissions associated with the products they buy from us. To date, this has seen 20,000 tons of CO₂eq offset through projects in developing countries that improve people’s living conditions while reducing greenhouse gas emissions.

* Source: Breach Level Index H1 2015