



# Gemalto Corporate Social Responsibility



## 2010 Communication of Progress to UN Global Compact

September, 2010



July 9, 2010

H.E. Ban Ki-moon  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary General

Gemalto committed to you and to the United Nations last year to support the ten principles of the Global Compact program with respect to human rights, labor, anti-corruption, and environment. We hereby renew our commitment for the coming yearly period.

With this renewed commitment, I am pleased to present to you our first annual Communication of Progress document describing in more detail our company's efforts to implement the ten principles.

Our first priority was to set up a management structure to drive sustainability within our company. We created a multidisciplinary authority supervised by our three Executive Vice Presidents of Human Resources, of Marketing and General Counsel. This commission gathers twice a year to review projects progress and to set up objectives towards continuous improvement. Two sub-commissions, respectively called "Ecology" and "Social & Ethics", composed of our internal experts were also created. These sub-commissions identified and defined key sustainability projects that are currently being formally managed within our company, in particular:

- The carbon footprint project: implementation of our company-wide carbon footprint measurement and supporting improvement actions;
- The green card body project: development and industrialization of eco-friendly card bodies for credit cards replacing the plastic card bodies, using in particular the PLA material, a new bio-sourced non-toxic substance on which we had conducted advanced research. This project was officially presented to our customers, the main financial institutions of the world which issue credit and debit cards, was well received and first commercial production has started;
- The responsible purchasing project: deployment of actions aiming at orienting purchasing towards more eco-friendly products and adopting best responsible purchasing practices;
- The metrics project: identification, measurement, monitoring and reporting of our appropriate corporate social responsibility indicators, for our company continuous improvement.

Gemalto's commitment to support the ten principles of the Global Compact program, our new sustainability management structure and our key projects were widely communicated to our 10,000 employees worldwide: the culmination of this action this year was the Gemalto Sustainable Development Day, a global internal event we organized worldwide on June 4, 2010.

You will find further details on our actions and achievements in sustainability in the documents attached, that are all fully in line with the Global Compact principles.

Supported by these concrete actions, I so hereby renew Gemalto's faithful commitment to support the ten principles of the Global Compact with respect to Human rights, labor, anti-corruption, and the environment.

Sincerely yours,

Olivier Piou  
Chief Executive Officer

[www.gemalto.com](http://www.gemalto.com)



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## Introduction: A/ Company description summary (1/4)

### III Business framework

- ✦ In a world where the digital revolution is increasingly transforming our lives, Gemalto's end-to-end security solutions are designed to make personal digital interactions more convenient, safe and enjoyable.
- ✦ Our activities range from the development of software applications through the design and production of secure personal devices such as smart cards, SIMs, e-passports and tokens, to the deployment of managed services for our customers.
- ✦ More than 1 billion people worldwide use our products and services for telecommunications, financial services, e-government, identity and access management, multimedia content, digital rights management, IT security, mass transit and many other applications.
- ✦ As the use of Gemalto's software and secure devices increases with the number of people interacting in the digital and wireless world, the company is poised to thrive over the coming years

## **Introduction: A/ Company description summary (2/4)**

### **III At the heart of Gemalto**

#### **✧ Security expertise**

✧ Gemalto's internationally renowned team of security and cryptography experts leads the way in the design and implementation of new anti-fraud solutions certified to the highest standards. We hold an extensive portfolio of patents and security certifications.

#### **✧ Design and production of secure personal devices**

✧ Gemalto's expertise spans the entire process for creating secure personal devices. We buy microprocessors, develop operating systems and software, and produce and personalize objects - of which we have already delivered 10 billion worldwide. We continue to innovate with new forms and architectures, and provide complete solutions for secure, convenient services.

#### **✧ Personalization and issuance**

✧ Gemalto is a trusted partner for the individual personalization of millions of secure personal devices daily, certified to the best security level practices. Our issuance and post-issuance services oversee each step in delivering them all the way to the end-user, as well as replacing and upgrading them once in the field

## Introduction: A/ Company description summary (3/4)

### III Gemalto N.V.

- ✦ Gemalto N.V. is the parent company of the Gemalto group (Gemalto).
- ✦ Gemalto N.V. is a multi-national, public company incorporated in the Netherlands and with subsidiaries and group companies around the world.
- ✦ Gemalto N.V. was formed in June 2006 as a result of the combination of Axalto and Gemplus.
- ✦ Gemalto N.V.'s shares have been listed on Euro list by Euronext Paris S.A. (Euronext NL0000400653) in the compartment A (Large Caps).
- ✦ Among other indices, Gemalto N.V. is part of the SBF120, NEXT20, Dow Jones STOXX 600 Index, Mnemonic, Exchange NYSE Euronext Paris, ISIN, Reuters, Bloomberg.
- ✦ Gemalto is required to comply with, *inter alia*, Dutch law, Dutch corporate governance rules, Dutch AFM rules, French AMF rules and Euronext Paris Stock Exchange rules and related regulations, insofar as applicable to Gemalto.
- ✦ Gemalto's global presence is key to the way we serve our customers, and we have sites and facilities strategically spread across every continent.

# Introduction:

## A/ Company description summary (4/4)

### III 2009 Key figures

- ✦ €1.654 billion revenue
- ✦ 10,000 employees, 90 nationalities, based in 42 countries
- ✦ 77 sales and marketing offices; 18 production sites, 30 personalization centers, 11 R&D centers
- ✦ Over 1.4 billion secure devices produced and personalized

### III More detailed information on

- ✦ <http://www.gemalto.com/>



## Introduction: B/ Company CSR approach (1/2)

### III “Never-ending quest for excellence” historical culture

- ✘ As a company seeking excellence in its business performance, Gemalto (and its former companies) has been working in many Corporate Social Responsibility domains for more than a decade
- ✘ Improvement initiatives have been driven by continuously challenging its business practices through external evaluations / certifications and comparisons / benchmarking with best-in-class companies
- ✘ Most important external standards used to ensure the implementation of best practices are Universal Declaration of Human Rights, International Labor Organization Standards and QHSE international Standards including ISO9001 for Quality, ISO14001 for Environment and OHSAS18001 for Health and Safety
- ✘ Gemalto aims to meet the highest standards of Corporate Social Responsibility.
- ✘ We actively invite examination by external agencies and seek to address any opportunities for improvement that they have highlighted.



## Introduction: B/ Company CSR approach (2/2)

### III Joining the UN Global Compact

- ✘ Taking into account the coherence between UN Global Compact principles and current values and practices in the company
- ✘ Being eager to learn from others' experiences and to share its own
- ✘ Desiring to publicly commit its support to basic principles with respect to the Human Rights, Labor Rights, Anti-Corruption and Environment
- ✘ Gemalto joined the UN Global Compact in September 2009
- ✘ In parallel, internally, a formal management structure has been implemented to animate and monitor the company CSR continuous improvement loop
- ✘ In coherence, the HSE corporate policy has been upgraded into a "Sustainable Development" policy which beyond HSE domains highlights the overall CSR commitment of the company

### III More detailed information

- ✘ <http://www.gemalto.com/companyinfo/sustainability/index.html?toggler=1>



# 1/ Structuring an actual CSR Management System (1/4)

## III Ensuring coherence and efficiency

- ✘ In parallel with the specific achievements and progress described in the next sections, the 2009 year is a significant milestone in terms of CSR performance improvement strategy.
- ✘ Indeed, it was decided to allocate resources and to implement a Management System for ensure the continuous improvement of the CSR performance of the company
- ✘ It highlights the necessary ingredients of a continuous improvement loop
  - ✘ Formalized policies and objectives
  - ✘ Identified resources and responsibilities
  - ✘ Prioritized improvement projects
  - ✘ Close and visible monitoring of progress
- ✘ And applies planning and monitoring Project Management methodologies



# 1/ Structuring an actual CSR Management System (2/4)

## III Implementing a Steering structure

- ✘ The overall initiative is managed by the “Sustainable Development” steering committee which is sponsored / supervised at EVP level
  - ✘ The SD-HSE corporate Director is leading this committee which includes members from HR, Legal, Communication and QHSE departments as well as representatives from Operations such as Manufacturing and Purchasing
- ✘ Every year, the SD steering committee consolidates a CSR program including targets and prioritized projects
  - ✘ When validated at top management level, the updated program is cascaded into department and individual objectives and widely communicated internally through the “SD-HSE Strategic Agenda” document
- ✘ In order to frequently monitor progress of the specific projects, 2 sub-commissions have been created; they respectively focus on “Ecology” & “Social/Ethics” domains
  - ✘ They include the Steering Committee members and additional contributors from departments such as Marketing and Logistics
  - ✘ Each sub-commission meets every 6-8 weeks to review in details progress of each project in its scope

# 1/ Structuring an actual CSR Management System (3/4)

## III Dedicating resources / selecting improvement projects

- ✘ For 2010, out of a longer brainstorming list, Gemalto selected 11 projects aimed at improving its CSR performance
- ✘ 6 projects are related to the **ecological impact** of our activities
  - ✘ 3 of them aim at the development of a greener product offer
  - ✘ 3 of them are related to the impact of the entire supply chain of our business including supplier and logistic processes
- ✘ 5 projects are related to **Social / Ethics topics**
  - ✘ 2 projects aim to improve both the measurement and the communication of our CSR performance, internally and externally
  - ✘ 1 project develops actions toward improved relationship with surrounding communities and employee wellbeing
  - ✘ 1 project aims at orientating purchasing toward greener products and responsible purchasing practices
  - ✘ 1 project targets the reduction of hazardous substances and the deployment worldwide of compliance with the European Union REACH regulation



# 1/ Structuring an actual CSR Management System (4/4)

## III Improving performance measurement and communication systems

- ✧ Moving forward from current situation (Sustainability reporting integrated into the annual financial report), a top management decision was made to generate a separate report regarding the Gemalto Sustainable Development Performance
  - ✧ Our target is to issue the initial Gemalto Sustainability report before the end of 2010 year
- ✧ Another project is on going in order to define the “CSR Performance Dashboard” of the company taking into account GRI recommendations, external benchmark in similar industrial companies and our main customers
  - ✧ From the initial capability status, a follow up project / action plan will define the Gemalto CSR score card
- ✧ Moreover, the adhesion to the UN Global Compact allows the company to develop the communication of its CSR performance through the “Communication Of Progress” process
- ✧ Internally, a dedicated CSR Web site has been created and provides every employee with all information and data regarding the company CSR positioning and actions: it has both an awareness / educational role and a communication function

## 2/ Latest key Achievements / Progresses A/ Business Practices (1/4)

### III Governance

- ✧ Gemalto strives to apply the highest ethical standards to the management of its businesses.
- ✧ Our principles are shaped by a series of codes and charters which form the ethical backbone of our management practices:
  - ✧ **The Gemalto Code of Ethics** has been updated in 2009. It provides guidelines for the conduct of all employees with respect to internal controls, financial disclosures, accountability, business practices and legal principles. With regard to its employment practices, Gemalto does not tolerate any kind of harassment or discrimination against job applicants or employees.
  - ✧ **Specific Codes of Ethics** detail ethical rules for specific departments; arguably the most important of these specific codes, from an anti-corruption perspective, is the Purchasing Code of Ethics. Also of importance is the Internal Audit Code of Ethics, which was introduced in February 2010.
  - ✧ **The Anti-Fraud policy** was issued in December 2009; the definition of Fraud adopted by Gemalto includes corruption.
  - ✧ **A whistle-blowing procedure** guides the receipt, retention and treatment of complaints received by Gemalto regarding suspected financial irregularities.
  - ✧ In addition, Gemalto has charters governing the **functioning of the Board and its committees** It also has a policy on the ownership of and transactions in Gemalto securities.

## 3/ Latest key Achievements / Progresses A/ Business Practices (2/4)

### III Governance (cont'd)

✧ In addition to those charters and policies, some other programs have been launched:

✧ **Anti-fraud management:** Gemalto's anti-fraud commission comprises the Group Legal Counsel, the EVP HR, the Chief Information Officer, the Security Director and the Internal Audit Director.

It initiated an anti-fraud policy and promoted various training sessions on integrity and anti-fraud awareness. The Charter of the Anti-Fraud Commission was amended in June 2009.

✧ **Internal control over Financial Reporting:** On a yearly basis, local entity managers are requested to perform a self-assessment of the quality of their internal controls

This self-assessment is performed against standard control criteria that are designed at a corporate level and includes fraud-related (and therefore corruption-related) controls. Self-evaluations are tested for critical processes and entities by internal auditors, as well as external auditors.

Remediation plans are defined based on identified deficiencies with year-on-year progress follow up.

An annual report on financial internal control is prepared by the CFO and the Internal Audit Director, approved by the CEO and presented to the Audit Committee.

✧ **Agent monitoring:** as an example of this monitoring, an internal audit was performed in 2009 and a follow-up audit is planned for 2010.

## 3/ Latest key Achievements / Progresses A/ Business Practices (3/4)

### III Governance (cont'd)

- ✧ **Enterprise Risk Assessment:** in 2007, Gemalto started conducting an Enterprise Risk Assessment process including self-evaluation of the key Company risks by a significant group of employees and advices from third parties. Conclusions were reached in 2008, defining a set of objectives and actions for each identified key risk. In 2009 action plans continued and their status was presented to the Audit Committee and twice to the Board.
- ✧ Gemalto's efforts to abide by the highest ethical standards have led to numerous activities, such as, but not limited to:
  - ✧ Awareness training sessions: In 2009, 20 site presentations were given (i.e. more than 350 people trained) on Internal control and anti-fraud management .
  - ✧ Campaign for the signature of the Code of Ethics: Key employees have been targeted by the HR department for the formal signature of the Code of Ethics; these include, *inter alia*, all managers down to N-3 to the CEO, HR, Finance, Legal, Sales and Purchasing exempts. More than 2500 have already signed the Code of Ethics (i.e. nearly 99% of the targeted population).
  - ✧ A newsletter on internal control & risk management matters is issued on a bi-monthly basis. The audience is comprised of 652 people (all Finance and Legal people + most HR people and Managers).
  - ✧ Audits: of the audits performed in 2009, 9 were fraud-related.



## 3/ Latest key Achievements /Progresses A/ Business Practices (4/4)

### III Human Rights / Labor Rights

- ✧ Gemalto definitively complies and promotes Human Rights and Labor Rights. Its policies and systems are built accordingly
- ✧ The Gemalto Code of Ethics reflects the company commitment to employment best practices and against Fraud & Corruption . In 2009 an updated version have been generated and deployed
- ✧ As defined in its “SD and HSE Strategic Agenda”, Gemalto has initiated a specific project aiming at “Employee Care”
  - ✧ Part of it is the formal documentation of the Corporate HR policy. Currently into the validation process, it will be deployed to all sites before the end of the year
- ✧ Similarly a project toward improved “Responsible Purchasing” practices has been also started supported by external expertise
  - ✧ The “10 Golden Rules” formal document has been defined and is currently communicated internally and to our suppliers. This document is the basis for the identification and prioritization of our improvement action roadmap
  - ✧ A survey involving employees, main suppliers and customers has also been performed in order to investigate stakeholders expectations and embed them into the action plan

### III Outlook

- ✧ Although not yet validated (later in Q4), the 2011 objectives / projects will definitely include several HR/LR specific actions, both in Employee and Suppliers areas

## 3/ Latest key Achievements /Progresses B/ Customer Care & Satisfaction (1/3)

### III Customer Satisfaction

#### ✧ High business ethical standards

- ✧ Our [Code of Ethics](#) has made very clear the ethical standards each and every employee is required to comply with in terms of “Business integrity” and “Competition” practices

#### ✧ Customer focus

- ✧ We put the customer at the center of our Company Strategy. Every year, we commission an independent “Tell Me” survey, which consists of face-to-face interviews with customers who rate their satisfaction with different aspects of our businesses.
- ✧ In 2009, 470 interviews were conducted and our customers rated their overall confidence in Gemalto as 715 out of 1000, representing a “best-in-class” score and an increase of 13% against 2008.
- ✧ This improvement is also measured by the 25% reduction of number of significant claims over the last 2 years.
- ✧ **Gemalto uses external assessments** to yearly monitor its Quality and Security systems versus (ISO and market specific standards)
  - ✧ 100% of 27 Gemalto sites are ISO9001 certified (last 2 certifications in 2009/2010 were our Russian and Canadian personalization centers)
  - ✧ An ISO27001 certification roadmap is also being implemented for specific R&D or Mfg sites. Gemalto has currently 8 sites already certified

## 3/ Latest key Achievements /Progresses B/ Customer Care & Satisfaction (2/3)

### III Customer Satisfaction (cont'd)

#### ✧ World Class Enterprise

- ✧ Our World Class Manufacturing approach has evolved and we are now committed to World Class Enterprise. This continues to contribute to the enhancement of our customer relationships.

#### ✧ Business Continuity

- ✧ Business Continuity: Through the standardization of production tools and processes, multi-sourcing strategies and IT availability/redundancy infrastructure, we have plans in place to ensure as far as possible the continuity of our operations for the benefit of our customers.
- ✧ In 2009, we used the H1N1 flu pandemic to strengthen our pandemic preparedness plans. Our key sites have undergone specific risk assessments and develop remediation plans to ensure protection of their people and preparedness for remote working, in order to cover any pandemic absenteeism.

#### ✧ Crisis management

- ✧ In 2009, the foundations of a crisis management organization and communication system, with key processes and responsibilities, were set up and tested.

## 3/ Latest key Achievements /Progresses B/ Customer Care & Satisfaction (3/3)

### III Customer Satisfaction (cont'd)

#### ✘ Greener products

✘ Customer increasing demand for “Greener” product offers have been also identified as a risk / opportunity for the future and R&D activities started or accelerated in this area. We have worked to develop products that enable our customers to offer green solutions to their end-users (e.g. degradable cards made from PLA that still meet stringent banking industry specifications; smaller sized cards that reduce the use of materials; readers optimized.)

✘ See more details in Environment section..

#### ✘ Consumer advice website

✘ We launched a consumer advice web site <http://www.justaskgemalto.com/en> offering FAQ's, articles and a series of 3D animations showing how digital security works. Visitors to the site can ask questions – such as how to choose a good password or safeguard mobile phone contacts – that are answered by Gemalto experts.

✘ During 2009, the site had more than 1.1 million visitors.

### III Outlook

✘ 2010 TELL ME survey dedicated action plans, Green Products production capacity increase, ISO27001 Security certifications (actual 2011 targets to be frozen during the end of year's company objective validation process)

## 3/ Latest key Achievements /Progresses C/ People Health & Employees Development (1/5)

### III People Health & Safety

- ✘ Gemalto Human Resources Management system aims at ensuring employees' development in a safe working environment as stated in the 2010 version of the SD and HSE Policy
- ✘ In order to assess / challenge its HS practices, Gemalto is deploying an OHSAS18001 certification roadmap in particular but not only in its Production sites
  - ✘ 14 sites are today certified to this worldwide standard often in addition to the usual national Health and Safety Standards including new certificates in 4 sites during last 2 years
  - ✘ In parallel, the number of injuries with lost working days in 2009 has been reduced by 25% compared to figures of previous 2 years
- ✘ Gemalto working environment does not highlight very severe HS risks and indeed many of the injury long absence are related to travel accident
  - ✘ In order to address this issue, Gemalto is deploying worldwide a "Defensive Driving" training based on an half day class + an actual driving test with commentary. Targeting at first business drivers, the initiative is often proposed as well to commuting people and next year's outlook is to have more than 30% of employees benefiting from sessions adapted to their country context



## 3/ Latest key Achievements /Progresses C/ People Health & Employees Development (2/5)

### III People Health & Safety (cont'd)

- ✧ In 2009, taking into account the A H1N1 pandemic risk, Gemalto is developing and deploying worldwide a comprehensive action plan based on health-related actions.
  - ✧ Actual impact on the employee has been almost negligible in terms of absenteeism with no impact on the company business including in countries significantly impacted such as Mexico
- ✧ Last and not least are the efforts / resources dedicated by Gemalto to comply with more and more complex laws regarding hazardous substances
  - ✧ Already globally compliant with RoHS EU regulation, Gemalto is now also addressing the very demanding REACH requirements, requesting / verifying compliance evidence from its many suppliers and therefore being able to positively answer the numerous related customer inquiries



## 3/ Latest key Achievements /Progresses C/ People Health & Employees Development (3/5)

### III Employee Development

- ✘ Gemalto uses IT tools to manage/control most of its key HR processes. This includes performance management, career management, employee satisfaction etc.
- ✘ Gemalto strives to recruit employees with diverse cultural and educational backgrounds and origins without any kind of discrimination (race, gender, religion, age or disability)
  - ✘ Our geographical headcount matches our geographical revenue (24% versus 24% for Americas, 51% versus 56% in EMEA, 25% versus 20% in Asia)
  - ✘ In 2009, we continued to internationalize our workforce welcoming (including acquisitions) 40% new-comers in EMEA, 37% in Asia and 23% in Americas. Women represented 41% (27.6% for exempts)
  - ✘ It is a company policy to provide long term contracts to its employees. In December 2009, 95.2% of our employees had a permanent contract
- ✘ In order to continuously improve the management of its employees, Gemalto has kicked off, in 2010, an “Employee Care” project
  - ✘ As a basic along with the code of ethics, the corporate Human Resources Policy has been formally documented and is being currently deployed worldwide

## 3/ Latest key Achievements /Progresses C/ People Health & Employees Development (4/5)

### III Employee Development (cont'd)

- ✧ Every Gemalto employee worldwide benefits from a yearly assessment of their achievement versus objectives. Format is standardized and data is captured in a unique IT system.
  - ✧ By end of February 2010, 94% of reviews were completed (versus 87% in 2009)
- ✧ Moreover, every year Gemalto simultaneously surveys all its employees with the “People Quest” questionnaire
  - ✧ In 2009, historical best scores were obtained both regarding participation (72% versus 68% the 2 previous year) and satisfaction rate (80% versus 77% in 2008 and 69% in 2007). Topics with low scores induce definition and implementation of improvement actions
- ✧ Technical and Management skills development / Training is another pillar of our HR Management System. It definitively favors the internal career development
  - ✧ At the end of 2009, 93% of Top Management (i.e. from CEO to CEO N-3) had been promoted from within
  - ✧ In EMEA, in 2009, 2650 people received 26 training hours average



## 3/ Latest key Achievements /Progresses C/ People Health & Employees Development (5/5)

### III Employee Development (cont'd)

- ✧ International / diversity mobility is also a key belief of the company . By December 2009
  - ✧ 22% of Gemalto exempts are working in a country which is different from their nationality
  - ✧ This includes 211 expatriated from 25 different nationalities i(17% from LATAM ; 26% from ASIA)
- ✧ In order to recognize individual contributors / technical skills, Gemalto has created a Technical Ladder in parallel with the usual Management Ladder
  - ✧ More than 1300 people worldwide from R&D and Technical Support dept's now belong to this 5 level ladder and can benefit from its compensation advantages

### III Outlook

- ✧ Within its “employee care” project, Gemalto plans to particularly work on medical insurances, d&d insurance pooling and benefits harmonization (yet to be validated in Q4)

## 3/ Latest key Achievements /Progresses

### D/ Environment Impacts (1/3)

III Since 2000, Gemalto has actively worked on a company-wide goal of continuous improvement in the environmental impact of our products' design, the process by which they are manufactured and the business processes in place to promote and sell these products

✧ More details at

[http://www.gemalto.com/brochures/download/2010\\_environmental\\_report.pdf](http://www.gemalto.com/brochures/download/2010_environmental_report.pdf)

### III Product offer

✧ Taking into account required product physical constraints, Gemalto has been working developing a greener product offer capable of matching customer expectations. Since the beginning of 2009 the following products have been developed and can now being ordered by our customers

✧ PLA based card bodies for several types of applications

✧ Smaller form factors for SIM and M2M products

✧ 100% recyclable packaging

✧ Regarding card bodies, an exhaustive Life Cycle Analysis has been performed by an independent party to compare available materials (PVC, ABS, PLA) and assess their various impacts on the environment (air, water, soils and life)

✧ In 2009, Gemalto along with other French card manufacturers (AFPC) developed an end of life recycling channel for PVC and ABS cards that they can offer customers

## 3/ Latest key Achievements /Progresses D/ Environment Impacts (2/3)

### III Product offer (cont'd)

- ✘ Our UK plant continued to offer “Carbon Neutral” cards to its customers
  - ✘ In 2009, more than 7 million cards have been sold with this compensation option
  - ✘ The on going carbon footprint measurement roadmap (see next page) will allow us to deploy this offer from other plants
- ✘ More at:  
[http://www.gemalto.com/companyinfo/sustainability/eco\\_friendly.html](http://www.gemalto.com/companyinfo/sustainability/eco_friendly.html)

### III Supply Chain Impact

- ✘ For many years, Gemalto is driving Environment impact improvement through an ISO14001 certification roadmap in particular but not only in its Production sites
  - ✘ 21 sites are today certified to this worldwide Standard including 3 new certificates in 2009-10 period
- ✘ Gemalto measures its main environmental impacts and, in particular, monitors in all its ISO14001 certified sites, energy consumption, waste generation and waste management: related improvement action plans exist in most of them. Data highlights:
  - ✘ 8.5% water consumption reduction per m<sup>2</sup> from 07 to 09
  - ✘ 13% electricity consumption reduction per m<sup>2</sup> from 07 to 09
  - ✘ 65% waste recycling or re-use in 2009 (versus 46% in 2007)

## 3/ Latest key Achievements /Progresses D/ Environment Impacts (3/3)

### III Supply Chain Impact

- ✘ In order to investigate other key contributors to climate impact, Gemalto has initiated its global carbon footprint measurement (first step of the roadmap is Mfg operations)
  - ✘ In 2009, such footprint measurements were done in 2 French sites and as of today in 2010, calculation is completed for 3 LATAM sites; 4 sites in ASIA and EMEA should be completed by year end
  - ✘ Above measurements already highlight transport as another CO<sup>2</sup> key generator for the company and a focused project has been started to investigate improvement actions
- ✘ Last and not least is the major on going project aiming at implementing procurement processes fully ensuring compliance with EU REACH regulation
  - ✘ In March 2010, 80% of our EU suppliers had provided us with evidence of their own compliance

### III Outlook

- ✘ Green product production capacity increase and Carbon footprint roadmap continuation

### 3/ Latest key Achievements /Progresses Community Involvement (1/2)

III Helping to build thriving communities wherever we operate is part of the way the company works in its various operations. Gemalto believes in developing the local economy by recruiting and training individuals from the country in which we do business.

#### III Sponsorship and charity

- ✧ Gemalto corporate community involvement is often done through its “Your world” program which provides funding to non-profit organizations in which employees are involved (funds are to contribute to initiatives supported by employees)
  - ✧ In 2009, Gemalto provided financial support to 78 initiatives (2008 figure was 62)
- ✧ In parallel, most sites are involved in local / national charity actions. Few examples are:
  - ✧ Support to disadvantaged students in France, Awareness and funds for cancer research in USA, hospitalized children in Shanghai or Canada, Orphans in Bulgaria etc.



## 3/ Latest key Achievements /Progresses Community Involvement (2/2)

### III Gemalto Sustainable Development Day (GSDD)

- ✧ The company promotes Sustainable Development internal awareness and actions worldwide thanks to the yearly organization of the GSDD (early June in conjunction with the “World Environment Day”). In 2010, the June 4th event included:
  - ✧ The CEO renewed commitment to CSR through a video which has been presented in all sites
  - ✧ Creation of a CSR dedicated website on the company intranet
  - ✧ Specific related activities (movies, presentations, actual CSR actions in more than 20 sites)

### III Outlook

- ✧ In order to strengthen its community involvement actions, Gemalto is currently investigating a specific cause to support.

