Sustainability Report 2013

Trust.
Everywhere

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gemalto
security to be free

Table of **contents**

Welcome

...to our fifth Sustainability Report, which mainly relates to our activities in 2013. We hope you find it interesting and informative. It is important for us, as a part of our vision and dedication, and we look forward to receiving your feedback.

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www.gemalto.com/companyinfo/contact-us

More info on our website:
www.gemalto.com/companyinfo/sustainability

How to use this report

Guide to navigation

Use the buttons on the top line to navigate in this report.

Throughout the document there are links to pages, other sections and web addresses for additional information.

Go home
Takes you to the main contents page.

Go to start
Takes you to the beginning of the section you're in.

Go back
Takes you back to the previous page.

Go forward
Takes you forward to the next page.

Search
Allows you to search in Acrobat.

Email
Allows you to email a PDF of this document.

Print
Opens up a print dialogue box.

Information
Brings you back to this information page.

CEO's message
Being **strategic** about sustainability

"The need for our solutions is clearly set to continue far into the future, and we are determined to do it right – making a positive contribution to societies everywhere around the world."

OLIVIER PIOU
CHIEF EXECUTIVE OFFICER

Making a positive contribution

Sustainability is part of Gemalto's vision and dedication. What we are doing is of increasing importance to people everywhere, who are going more and more digital and mobile. So the need for our solutions is clearly set to continue far into the future, and we are determined to do it right – making a positive contribution to societies everywhere around the world.

Our aim is to enable our customers and their end-users to trust that their data and transactions are secure, and that their brand and reputation are safeguarded.

Building trust

Such trust can only be built up over time. We have already established a positive reputation over many years, and we need to continue to deliver in the long term, proving ourselves over and over again. So for me, a central element of sustainability relates to the durability of our business. And through the process of continuous improvement that is central to our activities, we are developing and deepening our focus on sustainability year after year.

A wide-ranging approach

Our approach comprises a wide range of topics organized in four main areas: supporting our customers, reducing our environmental impact, valuing our people, and managing our business responsibly.

This means, for example, listening to our customers through a systematic, formal and far-reaching process; putting their needs at the heart of our activities; working behind the scenes, in line with their business models, so we do not interfere with their brands; and supporting their own sustainability strategies.

It also means being conscious of the resources we use, in all their forms; looking after our employees, deepening their knowledge and developing their careers by clearly privileging promotion from within; and running the Company in an ethical, prudent manner.

So we have an active approach to sustainability, and we are interested to see that investors have started paying greater attention to our performance in this area. Our customers are also sensitive to it – and because their end-users are too, it is one more domain where we are happy to team up with them.

Taking action

One of the ways we respond is by providing an increasing range of products that are not only cost-effective and easy to use, but also environmentally friendly. For example, we have succeeded in developing a banking card made from renewable, bio-sourced materials, without compromising on either durability or security. In 2013, we also continued to reduce our energy and water consumption, and to increase the valorization of our waste. And we continued to emphasize diversity as a key part of our 'people' value.

A foundation for the future

Looking ahead, our Sustainability Board will help us during our new multi-year development plan to reach clearly defined targets based on a robust strategic vision. Our people and our shareholders understand what we are doing and where we are going – and they can be confident that we will continue to adhere to the values that are the foundations of our success.

Olivier Piou, Chief Executive Officer

Enabling trust in the **digital world**

Every day, everywhere, digital technology is generating new services. New ways to work and play, to transact and interact.

What's our purpose?

To enable our customers to offer those services in trusted and convenient ways to billions of individuals.

We are the world leader in digital security

#1

End-users benefitting from our solutions

2bn+

Our annual revenue 2013

€2.4bn

Organizations and governments use our devices, software and services to authenticate and manage identities, securely and reliably.

That's what enables them – and billions of their end-users, employees and citizens – to pay, communicate and identify themselves with confidence.

Gemalto provides the trust that digital services depend on. **Every day. Everywhere.**

Our customers and **markets**

Our customers

...include some of the world's best known mobile operators, financial institutions, governmental agencies, healthcare providers, transport operators, vehicle manufacturers and a vast number of other enterprises.

We enable them to offer personal mobile services, payment security, authenticated cloud access, identity and privacy protection, electronic documents, machine-to-machine applications and many other services.

What we do

We embed our secure software in products such as SIM cards, contactless banking cards, electronic passports and ID cards, password generators and machine identity modules.

Then we continuously monitor and manage these devices across hundreds of networks, checking identities and managing transactions.

Our markets

Mobile

Identity and Access

Financial Services and Retail

Government

Machine-to-Machine

Our **global** presence

Bringing global expertise to our customers' local needs and cultures...

...everywhere

Nationalities of our employees

110+

Personalization and data centers

34

Production facilities

15

Research and software development centers

25

Countries with an operational site

44

Offices

85

Countries where our clients are based

190

Our employees worldwide

12,000

Our **approach** to sustainability

Sustainability is a fundamental part of the solutions we offer and the way we work.

Photo:
Entering our site in Cuernavaca, Mexico

Gemalto and **sustainability**

Our approach

Being a leader in digital security, our solutions touch billions of people's lives – and sustainability is built into many of them. From supporting remote healthcare services to enabling financial inclusion, what we do can offer a positive social outcome.

Sustainability is an important part of Gemalto's way of working. As a long-term signatory to the United Nations Global Compact, we benchmark our policies and performance against world-class companies and review them annually against the Compact's ten principles on human and labor rights, anti-corruption and the environment.

Our approach to sustainability also reflects our values. These are combined in a robust ethical framework which underpins our sustainability activities and focuses them on our strategic priorities:

- Supporting our customers.

- Reducing our environmental impact.

- Valuing our people.

- Managing our business responsibly.

Materiality analysis

In 2011, we performed a sustainability Risks and Opportunities analysis with the support of external specialists. This led us to:

- Gain an overview of Gemalto's material sustainability issues;
- Identify and prioritize risks;
- Define objectives;
- Assign resources and develop action plans.

The assessment involved conducting interviews with internal functions interfacing with our main stakeholders, benchmarking against other organizations, analyzing internal and external materials, and taking account of issues raised by clients, rating agencies and other stakeholders.

External assessment

We take a keen interest when external third parties examine our sustainability performance since we can learn from their views. One such company is Vigeo, the leading European expert in the assessment of organizations with regard to their practices and performance on environmental, social and governance issues. In 2013, Gemalto was included in two Vigeo indexes, recognizing our CSR performance:

- Euronext Europe 120

- Euronext Benelux 20.

This means that Vigeo considers Gemalto to be among Europe's 120 most advanced companies regarding CSR, and one of the 20 most advanced companies in the Benelux region.

Our values

Our approach to sustainability reflects our three core values:

1 Customers

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

2 People

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

3 Innovation

We continually develop valuable new ideas and creative approaches to business and technology challenges.
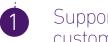
Performance overview

We focus on the areas that are of most importance to us and our stakeholders, and where we have the biggest influence and potential impact.

Our priorities	What we do	2013 progress summary and key figures

1 Supporting our customers

We put customers' evolving needs at the heart of what we do, in the products and platforms we create and the services we offer. By consistently innovating, we retain the loyalty of existing customers, attract new ones, and broaden our commercial opportunities – at the same time as having a positive impact on end-users.

Customers annual survey
✖ 86% of customers surveyed said they were 'satisfied' or 'very satisfied' with Gemalto

Research & Development
✖ 2,000 digital engineers
✖ €143m invested

Eco-design
✖ 33 million 'carbon offset cards' sold since 2009
✖ 50 employees trained in eco-conception (2012–2013)

2 Reducing our environmental impact

By managing our energy and water consumption, monitoring our waste and transport, and reducing our environmental footprint, we minimize our costs, answer our customers' growing demand for information and support our business strategy.

ISO 14001 certifications
✖ Two new sites certified
✖ 75% of our employees work in ISO 14001 certified sites

CO_2 reduction
✖ 14% reduction of our CO_2 eq. emissions linked to energy consumption
✖ 4% increase in emissions linked to transport but a stable impact/km

Transport
✖ Reporting scope extended
✖ Doubling use of sea in our modes of transport

Water consumption
✖ 8% reduction in water use

Waste reduction and valorization
✖ 81% waste valorization rate

Performance overview continued

Our priorities	What we do	2013 progress summary and key figures
3 Valuing our people	Fundamentally, Gemalto is built on the ingenuity and dedication of its people. Since we rely on a committed, motivated and innovative workforce, we have clear Human Resources programs and systems to attract, nurture and retain the best talent.	**Diversity** ✕ 23% of our exempt employees work outside their country of origin ✕ 60/40 men/women ratio throughout the organization ✕ 44% of new recruits are women ✕ A third woman has been appointed to the Board of Directors ✕ Two women – out of eight members – appointed to the Senior Management team **Employees' engagement** ✕ 81% of our employees are 'satisfied' according to the annual survey ✕ 150 actions carried out in 2013 were inspired by the employee survey **Training and development** ✕ 75% of our employees received training in 2013 **Safety** ✕ 1 new site OHSAS 18001 certified added to 16 existing certified sites ✕ Travel risk management principles upgraded **Employees' charitable activities** ✕ 71 employees' projects funded
4 Managing our business responsibly	Good governance and business ethics are essential to enhancing investor and customer confidence, building trust and running a sound business. We actively manage our risks, have robust anti-fraud systems, and apply our ethical standards throughout our value chain.	**Supply chain** ✕ 11 CSR audits conducted on selected Tier 1 suppliers ✕ 87% of our suppliers covering 70% of our spending signed our CSR Charter ✕ Steering committee created to guide and inform all purchasers on responsible purchasing **Ethics** ✕ Over 1,000 people undertook our new anti-fraud e-learning ✕ 15 out of 52 internal audits focused on fraud and ethics **Risk management** ✕ Fraud-focused Risk Analysis (FRA) action plan included in the Group's Enterprise group Enterprise Risk Assessment action plan ✕ Updated our Crisis Management Framework

Sustainability across our activities

Innovating

We constantly innovate so we can address our clients' rapidly changing needs, respond to the opportunities of the digital age and enhance digital security.

CSR FOCUS

Eco-design

Open standards

Producing

We develop secure software and operating systems which we embed in many kinds of trusted device which we then assemble and personalize.

CSR FOCUS

CO_2, energy, water, waste

Health and Safety at work

Responsible purchasing

Delivering

We deliver a vast range of solutions to our customers so that they can offer secure, convenient, high-quality products and services to their end-users.

CSR FOCUS

Quality, safety and eco-friendliness of our products

Responsible solutions

Managing

We use our platforms to manage the products while they're in use, activating and updating them so they retain their value and offer the latest services to end-users.

CSR FOCUS

Data security

Data privacy

Our **business case** for sustainability

Sustainability is fundamental to Gemalto's way of working for many reasons, not the least that it's simply good for our business.

Overall, it enables us to build resilience in an ever-changing world – for Gemalto, for our customers, and for their end-users everywhere.

A trusted brand

Our business is profoundly reliant on trust: on the trust that our customers have in the performance and ethics of what we do. By putting sustainability at the heart of our thinking and behavior we enhance the value of Gemalto's corporate brand and promote the Company as a trusted global partner.

Risk management

There are enormous opportunities for Gemalto in the digital world. We have a long-term vision, enriched by our understanding of global and social mega-trends. And, in order to make the most of these opportunities, we need an equally clear vision of the business risks that we face. This is part of the broad sustainability agenda and requires us to tackle risks proactively.

Innovation

By building sustainability into our innovation strategy, we strengthen our competitive advantage by regularly delivering new and improved products, services and business models that also happen to be environmentally friendly. This enhances our reputation, enables us to grow our markets and to develop new opportunities.

Customer satisfaction

Our customers want to deliver sustainable solutions to their end-users. It is therefore essential that, within their supply chain, we provide assurance that they are placing their confidence in a well-reputed and trustworthy brand, and that we also support their own sustainability objectives. This helps us to grow our market share, retain existing customers and to attract new ones.

Talent attraction and retention

By building a highly reputable organization with a strong ethical foundation, sound governance and a respected culture of innovation, we attract and retain talented people who recognize that Gemalto fits their own personal values and aspirations.

Financial performance

The cumulative result of these benefits favors our bottom line. It helps us to grow our revenues, and by encouraging us to manage our environmental impact throughout our operations, it also enables us to lower costs by increasing efficiencies and reducing waste. Sustainability is simply good for our business.

Engaging with our stakeholders

We understand the value that sustainability brings to our business – for example in attracting and retaining loyal customers and talented employees.

And we need to ensure that all our stakeholders understand what we are doing and why – so we regularly communicate with them, invite their views and where possible join with them on specific initiatives.

We focus here on our primary stakeholders – those with the greatest influence on our performance – though there are many others we also engage with.

Our stakeholders	How we engage with them
Our customers	We are in constant dialogue with our customers, so we can develop common interests and meet mutual objectives. We can also identify their sustainability requirements and develop solutions together. Amongst other processes, our annual customer feedback survey, 'Tell Me', gives us a deep understanding of their views on many aspects of our business (see page 18 for further details).
Our employees	Our annual employee survey – PeopleQuest – helps Senior Management and HR to track their satisfaction globally. In 2013, we added two questions about diversity and ethical practices (see page 32). With this feedback, we develop and implement action plans for specific sites, regions, countries and divisions. We also organize an annual event, the 'Gemalto Sustainable Development Day' (GSDD) when employees share and learn about each other's views on cultural, social and environmental issues (see page 16).
Our suppliers	Our CSR Purchasing Charter explains what we expect from our suppliers. The Charter has now been signed by 87% of our Tier 1 suppliers. And we hold quarterly business review meetings with our main suppliers, which include discussions on sustainability topics. We also carry out supplier audits which allow us to get a realistic view of current practices and, if needed, share concerns on the issues raised (see page 36).
Our investors	Maintaining positive relations with investors and analysts is key to Gemalto's growth and we use a wide variety of media to keep in regular contact. These include our Annual Report, Sustainability Report and press releases, as well as road shows, conference calls and face-to-face meetings. These enable us to understand their opinions and to adapt our policies with them in mind.
Our communities	We get involved in many of our local communities through developing alternative ways of commuting to work (e.g. car-pooling and cycle-ways) and promoting sustainability awareness among local organizations and residents. In addition, through our 'Your World' program, we support our employees' involvement in their own communities (see page 30).

Managing and **communicating** sustainability

How we manage sustainability

Sustainability is integrated in the way we manage our company, from the boardroom to our different sites worldwide. Everyone at Gemalto plays their part conducting a responsible business, and each function has a role in achieving this.

Gemalto Board

The Gemalto Board has overall responsibility for the Company's sustainability vision. This responsibility is incorporated into the Board charter, and our sustainability management is organized accordingly.

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The Sustainability Board

In 2013 we established the Sustainability Board as the forum for reviewing our strategy in this area. It is chaired by our CEO and comprises the Executive Vice-Presidents who report directly to him. The CEO takes a strategic overview of all areas of our sustainability policy and performance.

↓

Sustainability Steering Committee

Our sustainability policies and activities are coordinated by the Sustainability Steering Committee. It gathers representatives from most functions – Legal, Communication, Health, Safety and Environment (HSE), Human Resources, Purchasing, Research & Development (R&D), Manufacturing, Marketing – and is supervised by three Executive Vice-Presidents. It met three times in 2013 to monitor progress before assessing our end-of-year performance. The Committee defines and pilots the action plans necessary to drive performance.

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Site management

Site managers around the world are responsible for implementing key aspects of our sustainability policies and action plans, including for example those relating to HSE, Human Resources and Purchasing.

Managing and communicating sustainability continued

How we communicate about sustainability

Sustainability is a broad idea that means different things to different people. This is why we communicate internally and externally on the topic to inform, inspire and engage our various stakeholders and invite them to take part in our actions.

Being transparent about our performance and management processes not only builds trust and engages our stakeholders to work together to meet objectives, but also holds us accountable for the results.

Internal stakeholders

Informing, inspiring and engaging our people is essential. That's why:

- All our employees are invited to sign our Code of Ethics

- We communicate regularly about our sustainability initiatives through existing internal channels, which include a dedicated section on our intranet

- Every year we share with our employees the priorities of our strategic HSE and sustainability agenda. We also inform them of the publication of our Sustainability Report and invite them to give us their feedback

- Each year we organize internal awareness and training sessions on subjects such as integrity and fraud. We also issue a bi-monthly newsletter on internal control and risk management

- We hold an annual 'Gemalto Sustainable Development Day' (GSDD) in June to update and engage our people about sustainability in general and Gemalto's policies, performance and activities in particular. In 2013 the theme of the GSDD related to reducing our carbon footprint

- The process of producing this Sustainability Report is itself of significant value, involving a large number of contributors, and requiring everyone involved to reflect on what we are doing, ask new questions, gather new ideas and consider future initiatives.

External stakeholders

Since 2010, we have published this Sustainability Report as an annual stand-alone document, enabling us to share our approach and performance externally (it was previously a section of our Annual Report, from 2004). The report details the main achievements of the preceding year on the initiatives defined by our Sustainability Steering Committee, as well as any areas for improvement. It also includes an updated set of performance indicators resulting from our sustainability Risks and Opportunities analysis.

In addition, we have created a dedicated section on our website (gemalto.com/sustainability) which includes all our Sustainability Reports as well as Global Compact Communication on Progress Reports. It also gives access to case studies presenting specific local achievements, key documents and policy statements such as our Health, Safety and Environment (HSE) Policy, Code of Ethics and Purchasing CSR Charter.

Supporting our **customers**

Our clients recognize Gemalto as a highly innovative company, helping them adapt to a rapidly changing digital world.

Supporting our customers

In this section:

Photo:
Delivering our bio-sourced cards to customers (page 22)

Creating **confidence**

Our approach

We value our customers very highly. And we do everything we can to foster constructive, durable relationships with them – focusing on their needs, living up to our promises and encouraging their feedback.

A relationship based on trust

We base our relationships with customers on trust. This is vital in every sector they work in – telecoms, public service, finance, enterprise and so on. With decades of experience in the field, our clients know they can trust us to manage their own digital data; and that their end-users – their subscribers, citizens, banking card holders, employees and so on – can be confident of our capacity to handle their personal information. They also need to trust us to deliver high-quality products and services to their end-users – and provide support for any problems.

At Gemalto we work hard to earn and merit this trust. So we design our strategy and everyday operations around customer needs. We also interact with customers in an open and transparent way. And we create solutions with dedication and an eye for excellence.

Listening to our customers

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. It enables us to take account of their views on sustainability, amongst many other topics, and hence affect our approach to CSR. It also provides a wealth of data, helping us to measure our performance and improvements, and influencing our strategic direction.

In 2013, we held 300 'Tell Me' interviews with our customers (representing the majority of our worldwide revenue), and 86% of those interviewed said they are 'satisfied' or 'very satisfied' with Gemalto – a world-class rating.

Assessing our performance

Many of our customers monitor their suppliers' CSR performance through the Ecovadis platform. This enables companies in nearly 100 countries to rate their suppliers in order to improve environmental and social practices.

In 2013 we were very proud to receive a Gold CSR rating from Ecovadis, based on our performance in 2012.

Supporting end-users

As a leader in digital security we have a role to engage directly with end-users and help them better understand the digital world. We can also help those needing quick advice and practical guidance in all areas of digital security.

Our response is a consumer advice website – JustAskGemalto.com – offering 'practical answers for your digital life'. In four different languages, it looks at basic consumer issues and answers specific questions posted by users. In 2013, the four sites received a total of 986 questions from visitors.

Key figures

86% In our 2013 'Tell Me' survey, a large majority of our customers said they are 'satisfied' or 'very satisfied' with Gemalto

Above:
Gold CSR rating from Ecovadis, based on performance in 2012.

Innovating for our clients' futures

Innovation is one of Gemalto's three core values. It's at the heart of what we do and an essential element in developing a successful business for our clients and for ourselves. As a result, we're constantly innovating so we can deliver solutions that meet our customers' expanding demands, respond to the opportunities of the digital age, enhance security and have a positive impact on society and the environment.

How we generate new ideas

We have more than 2,000 digital engineers based in 25 research and software development centers worldwide. And in 2013, we applied for more than 110 patents for new innovations.

What our engineers do is supported by the creativity of Gemalto's entire workforce, with innovation being a key element in our Human Resources training program.

For example, all employees are encouraged to submit ideas through our Business Innovation Garage (BIG) think-tank. BIG brings a structured process to funnel, nurture and then retain the best projects as incubation cells – like start-ups going through venture capital selection. BIG has been in place since 2009 and has developed some very innovative digital solutions. Every year some 200 ideas are submitted, and after a stringent process about four are selected to become incubation cells. Some of these are now starting to contribute to Gemalto's business stream.

Open standards – access for all

Gemalto is committed to making web technologies accessible and secure for everyone. One way we do this is through our membership to the World Wide Web Consortium (W3C).

W3C's goal is to create patent-free standards for developers creating web applications. And Gemalto's role is to help make them trusted and secure. The challenge is to devise technologies that enable developers to meet very specific security needs, while making solutions flexible and inter-operable globally. A standard library acting as a 'one-click button' for developers' basic security operations should be launched in 2014.

Key figures

Patent applications

110+ patents filed in 2013

R&D investment

€143m invested in 2013

SUCCESS STORY

F@CIL project

High-speed, low-energy contactless technology

In 2013, one of our leading R&D engineers, Jean-Paul Caruana, received a prize from the French National Research Agency for his 'F@CIL' project. The innovation enables high-speed, low-energy interactions in the fast-growing field of contactless transactions between smart cards and readers, with applications in, for example, payment, transport and ePassports.

As a result, six patents were applied for with a view to deploying the technology worldwide.

Delivering **responsible** solutions

As a leader in digital security, our solutions touch billions of people's daily lives. Our technologies enable them to have confidence in the applications offered by their service providers – our customers – through the work we do behind the scenes in securing their identities and assets.

In addition, some of our solutions have wider social benefits beyond their immediate use, particularly in areas such as safety, carbon saving, health and welfare systems, and financial inclusion.

Solutions supporting road safety

We offer dedicated solutions relating to personal and public safety. For example, the European Commission makes a strong link between fake driving licenses and an increased risk of road accidents.[1] In France alone, there are an estimated three million fake driving licenses, and since they are increasingly used for identification as well as certifying the ability to drive, this is a serious and growing problem. To address the issue, the French Government chose Gemalto in 2013 to replace existing paper documentation with eDriving licenses. These include extra visual, physical and electronic security features while maintaining robust protection of personal information.

India, Australia, Ireland and Mexico have also replaced traditional paper driving licenses with electronic versions.

In Mexico, for example, the state of Nuevo Leon adopted our eDriving cards in 2007. Between 2006 and 2008, road injuries decreased by 22% and fatalities by 39%. Yet over the same period, the number of vehicles increased by 19%.

Gemalto has also worked on the development of eCall, a pan-European service which increases road safety by improving the response times of emergency services via automatically established secure two-way links.

Solutions supporting energy savings

Supply and availability of energy and power is fundamental to economic activity, wellbeing and growth. On the other hand, we need to ensure that increasing supply and demand of energy does not cause irrevocable environmental damage.

There is no single answer to this issue. Rather there will be a range of solutions, one of which is to improve the efficiency of energy distribution networks. The US Department of Energy[2] estimates that if the power grid were just 5% more efficient, the energy saved would equate to eliminating the greenhouse gas emissions from 53 million cars.

Smart grids enable utility companies to reduce energy losses and allow better integration of distributed power generation and renewable supply into the grid, contributing to energy efficiency and minimizing loss. At home, smart meters also enable consumers to track their consumption and change habits to save money and resources.

Gemalto, in collaboration with Oracle and V2COM, 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. These solutions are now being implemented in several countries in Latin America, notably Brazil.

[1] http://europa.eu/rapid/press-release_IP-13-25_en.htm

[2] http://energy.gov/sites/prod/files/oeprod/DocumentsandMedia/
DOE_SG_Book_Single_Pages.pdf

Delivering responsible solutions continued

Solutions supporting health and welfare systems

With the world's population progressively growing and aging, new solutions are needed to deliver healthcare. By 2020, for example, it is predicted that the world will have around one billion people aged over 60. And the growth in urbanization will result in further impoverishment of healthcare provision in some rural areas.

Tele-health – using M2M technology to deliver health services – is playing a growing role in this context, increasing patients' wellbeing and avoiding hospitalization. For example, it enables those with chronic illnesses such as diabetes and heart disease to be monitored remotely and offers assistance to people in isolated areas difficult for healthcare professionals to reach.

Using Gemalto's Tele-health solutions, patients wear a small device that uses mobile networks to link them automatically to doctors and healthcare IT systems' cloud-based services. In 2013, our technology was used by the Canadian company iLOC in a personal locator device – similar to a wristwatch – that enables 24/7 GPS-tracking of vulnerable people such as those with dementia and Alzheimer's disease, without the need for constant physical supervision.

Beyond this, eHealthcare programs – linking secure personal eID with connected IT systems – can have multiple benefits for governments and national administrations, as well as patients, health insurers and health professionals. They can reduce the heavy administrative bills often associated with public healthcare; help prevent fraud; and streamline the prescription process, improving the quality of care provided and simplifying the management of records.

Gemalto is providing services and solutions for the implementation of eHealthcare systems in Algeria, Azerbaijan, China, Finland, France, Gabon, Germany, Mexico, Puerto Rico, and Slovenia.

Solutions supporting financial inclusion

There are at least 2.5 billion adults[3] in the world who do not have bank accounts, and most of them live in developing countries.

For some it is because they do not trust banks. For others it is because they do not possess any formal identification, they live in isolated areas without access to retail banking, and their income is too low to be serviced by traditional financial institutions.

Having a bank account makes it easier to save, access cash, pay bills, receive payments from relatives abroad and develop a business. It also links with other vital public and private services such as healthcare. Thus individual financial inclusion is key to the economic and social development of entire countries.

However, most unbanked people do have a mobile phone and this presents a valuable opportunity to address the issue.

Gemalto enables its clients to provide a complete range of financial services, including money transfers on mobile phones to nearly one billion people worldwide, more than 67 million of whom live in remote and deprived communities. These are available securely, on even basic mobile devices.

In Kenya, for example, 86% of all mobile phone users use mobile money applications; in fact, there are more mobile money accounts than traditional bank accounts in the country. Gemalto provides the application for the 'M-Pesa' solution on SIM cards in Kenya and Tanzania.

The incomes of rural households using M-Pesa in Kenya increased by between 5% and 30% since they started using it in 2007–2008. Furthermore, M-Pesa has been credited with directly creating 7,000 businesses and 12,000 jobs between then and 2011.[4]

Today, Gemalto's mobile payment solutions are deployed in 16 countries including Cameroon, Colombia, Curacao, Ghana, India, Ivory Coast, Mexico, Mongolia, Pakistan, Qatar, Rwanda, Suriname, Thailand, Uganda, Yemen and Zimbabwe.

16
countries use our mobile payment solutions

12,000
jobs created by M-Pesa*

[3] Source: The Global Findex Database, Measuring Financial Inclusion, April 2012

[4] http://www.mckinsey.com/insights/telecommunications/capturing_the_promise_of_ mobile_banking_in_emerging_markets

* see this page

Offering **eco-design** products

As part of our activity we produce and assemble smart banking and ID cards, SIM cards, USB tokens, readers and other personalized devices.

Our strategy is to develop a range of products that have a lower environmental impact by using less material, and derive from alternative materials. To this end we are using life-cycle assessments and carbon footprint measuring tools.

What we do

Customers in many sectors of activity increasingly want us to incorporate sustainable solutions into the products they deliver to their end-users. We help them by developing new materials and processes that meet those demands. We also invest in research and development, looking for new ways of balancing the marketability and sustainability of our products.

Employing Life Cycle Assessment methodologies, we are able to quantify the environmental impact of our existing products and apply eco-design principles to the development of new ones.

In 2012, we issued a new bio-sourced banking card using polylactic acid (PLA) which has been validated and certified by Visa and MasterCard. Up to 90% of the materials in a PLA card are based on bio-sourced polymers, resulting in a greater degree of bio-degradability than the traditionally used petroleum-based polymers.

For mobile network operators we have developed a range of eco-friendly SIM card bodies replacing the standard format – the size of a banking card – with smaller alternatives. They include half-sized bodies as well as SIMs with no extra card body that can be directly plugged in to a handset. We developed new manufacturing technologies specifically for this purpose.

In addition, we have extended the principle of developing smaller products using eco-friendly materials to the creation of new lines in card readers and packaging.

We have also pioneered tools such as our carbon footprint modelling which helps customers calculate the CO_2 emissions associated with a product, identify where improvements can be made and establish plans for impact reduction. We also offer them the opportunity to offset their associated CO_2 emissions (see Tisséo case study on page 25).

Key figures

50 employees trained in eco-conception in 2012/2013

11% of SIM cards sold were smaller format

9m 'carbon offset cards' sold in 2013

SUCCESS STORY

First bio-sourced payment cards in the Middle East

WHAT WE DID

In 2013, Byblos Bank, one of Lebanon's top three banks, selected Gemalto to supply bio-sourced banking cards – a first in the Middle East.

Authorized by MasterCard and Visa, the cards use renewable materials that are easily recyclable and compostable. Furthermore, their environmental credentials have been achieved without compromising security or durability.

"Doing this underlines our strategic vision regarding the environmental impact of our policies, products and initiatives," says Byblos' Assistant General Manager, Gilbert Zouein. "Gemalto was the only supplier in the market able to fulfill our green ambitions and meet our exacting standards for both environmental protection and customer service."

Reducing our **environmental impact**

We're always working to reduce the impact of our operations, creating efficiencies, generating savings and sharing the benefits with our customers.

Photo:
Offering our customers a carbon offset service (page 25)

Managing our **environmental** impacts

Our approach

There are three main elements to the management of our environmental impacts. These also address our customers' growing requests for details of our performance in this area:

- ISO 14001 international certification
- Compliance with national and international regulations
- Manufacturing processes and the traceability of our supply chain.

What we do

All our production facilities and many of our personalization centers are covered by ISO 14001 certification. This covers 22 sites and more than 75% of our total workforce. These sites are audited at least once a year by ISO 14001-accredited companies. The auditors assess the effectiveness of our Environmental Management Systems, reviewing their risk and impact analyses, and the relevance and efficiency of improvement plans.

The principal impacts of our operations are managed through site-specific action plans. These focus on reducing consumption (of energy, water, paper and manufacturing materials); waste management and pollution; and the reduction of our greenhouse gas (GHG) emissions.

Many of our customers now have programs and targets in place to reduce their own GHG emissions, and we respond to this increasing interest by measuring and reducing our own footprint (see next page for details).

We also commission external auditors to evaluate the way in which we monitor and respond to changes in legal requirements and regulations (which in Gemalto's context mainly relates to the management of hazardous materials such as printing inks and related solvents).

Key figures

22 sites with ISO 14001 certification in 2013

77% proportion of our workforce in sites with ISO 14001 certification

14% reduction in GHG emissions in 2013

Our **carbon footprint** program

Our carbon footprint program was launched in 2009 to help monitor and reduce the carbon emissions arising from our operations.

We measured the six greenhouse gas (GHG) emissions covered by the Kyoto protocol relevant to our activities, looking at energy and refrigerant gas consumption, incoming materials and services, incoming and outgoing freight, waste generation, and business travel for both commuters and visitors.

Measuring our footprint

By 2012, we had completed the measurement of the carbon footprint of all our sites. The most significant impact comes from raw materials in our production activities, which totals more than half of our emissions, and of these microprocessor chips are the single most important source. Beyond this, product freight represents around 20%, and business travel and energy consumption each around 10% of our total impact.

Having this clear overview has helped us to tackle the main sources of our emissions through a range of action plans:

- **Microprocessor chips:** our purchasing teams are requesting updated information from suppliers on the amount of CO_2 per product and data on incoming freight from their sites to Gemalto's

- **Transportation:** our supply chain teams have developed and included a footprint calculation tool in their standard supplier reports

- **Business travel:** our purchasing team is targeting reductions in professional travel

- **Product eco-design:** Research & Development (R&D) and marketing teams have been trained to develop lower impact products

- **Energy consumption reduction:** deployment of local facilities' action plans and corporate energy audit program

- **Waste reduction and recycling:** actions to reduce waste production and increase valorization (recycling or incineration with energy recovery)

- **Commuting (travel from home to work):** local actions to increase low-carbon modes of transportation (public transportation, co-commuting, bicycling, walking).

We also launched a carbon offset program, providing an easy solution for customers to offset the carbon emissions linked to their products. Through this program they pay a certain amount per card bought. This contribution supports a number of energy saving or renewable energy projects across the world managed by offset companies such as Carbon Neutral and CO_2 Solidaire. Since 2009, more than 33 million Gemalto carbon offset cards have been issued.

In 2013 we did a new measurement of all our sites, including extrapolation of our small sales offices, which confirmed the 2012 results. In the future, we plan yearly corporate measurements of our main sources of emissions, and improvements in the measurement of our GHG savings.

CASE STUDY
Tisséo France

FROM TRAMS IN TOULOUSE, FRANCE…

In 2013, Tisséo, a public transport operator in Toulouse (France), signed up to our carbon offset service when they chose our contactless ticket cards. In doing so, they paid one additional cent per card to 'CO$_2$ Solidaire'.

…TO KITCHENS IN CAMBODIA

Our partner supports projects that aim to improve people's living conditions while reducing greenhouse gas emissions (GHG). In Tisséo's case, they help fund the distribution in Cambodia of cooking stoves using 20% less wood.

REDUCING CO$_2$ EMISSIONS, INCREASING HEALTH

In many developing countries, people use inefficient stoves for cooking and heating, thus polluting their homes. As a result many women and children suffer from respiratory diseases. By using less wood, deforestation can be reduced, CO_2 emissions lowered, and hard work alleviated. And by reducing toxic fumes, domestic health can be improved.

Energy and transport

Energy

Our main energy needs are for the electricity and gas used for air-conditioning and heating installations in all our sites and for powering machinery in our manufacturing sites. Reducing our environmental impact – and costs – by lowering consumption has long been a key objective. Some of our sites have been ISO 14001 certified for a decade.

Over the past ten years our main achievements have come through improvements to our operational processes. We continue to monitor energy usage in line with our corporate plans, particularly those relating to efficiency and cost reduction which require us to lower consumption by 5% each year company-wide.

It is becoming increasingly challenging to reduce our consumption year after year because so many measures have already been taken. Furthermore, Gemalto's growing commercial success is resulting in increased orders and production, and hence increased energy consumption.

Thus to continue to meet our reduction targets, we instigate a variety of site-specific actions. In 2013, these were reinforced at corporate level by an energy audit program supported by external energy efficiency auditors. Sites now benefit from expert insight for improving their diagnosis and action plans.

As a result of these and other measures, we not only met our target in 2013 but achieved a reduction in worldwide energy consumption of 12%.

This was mainly due to two significant changes:

- At Vantaa, in Finland, we moved to a smaller, more energy efficient site with a more accurate means of measuring actual consumption than was previously the case

- At Montgomeryville, in the US, we drew on the energy audit to implement an action plan which yielded important results.

Transport

Transport represents around 20% of Gemalto's global carbon footprint. Our policy is to promote low-emission modes of transport as much as possible.

Since 2011 we have been using our carbon measurement tool to calculate CO_2 emissions related to freight. This covers our principal logistics suppliers who transport goods between Gemalto sites and deliver our products to customers. In 2013, reporting was extended to cover the main procurement flows of our raw material suppliers to our manufacturing sites across Europe, Asia and America. Four of these sites (in Brazil, England, Singapore and South Africa) launched lower emission sea shipments for the first time in 2013.

We are also encouraging the use of transport by road rather than air, particularly within Europe and between Mexico and the US. This includes using 'consolidated' trucks as a standard mode of road transportation. These contain freight from several companies. Alternatively, they may only carry our cargo but deliver to customers in several locations. We are also encouraging round-trip shuttles to airports and logistics hubs for import and export shipments as well as domestic deliveries.

Key figures

12% reduction of energy consumption worldwide in 2013

4 new sites have launched sea shipment in 2013

What's next

- Continue to deploy energy audits on sites
- Define CO2 savings measurements for transportation optimization projects.

Water and waste

Water consumption

Gemalto's main use of water is for sanitary purposes, green spaces and washing printing frames in some manufacturing sites. Our policy is to continuously reduce its consumption company-wide by at least 5% a year.

In 2013, we achieved a global reduction of 8% on a constant basis. Out of 19 sites, ten achieved the 5% reduction objective.

In addition, since we began measuring water use in 2009, the water consumption per employee has reduced by 31% from $21m^3$ to $14m^3$.

Waste reduction and valorization

To reduce and valorize our waste we particularly focus on three areas: non-hazardous waste (plastic and module residues containing epoxy and metal), standard office waste (paper, print cartridges and toners) and hazardous waste (including inks and solvents).

Our objective is to reduce all waste by 5% per year and to achieve a 75% valorization rate.

In 2013 the waste amount increased by 13% and the valorization waste decreased from 87% to 81%. This was mainly due to two important site moves leading to the production of non-recyclable construction trash and the scrapping of obsolete materials.

However, the 81% valorization waste remains far beyond our annual target. Our performance increased annually over the past five years from 64% in 2009. This is a result of continuous improvement, as well as the separation for recycling of both plastic and lead-frame skeleton waste in our manufacturing processes.

Key figures

Water

8%
reduction of water consumption in 2013

Waste

81%
valorized waste in 2013

Valuing our **people**

Our employees' wellbeing and development are paramount. By looking after them as best we can, we're also helping meet Gemalto's future needs.

By taking care of my team the customers are also taken care of

Ludivine   Meudon

Photo:
Encouraging employees to share their vision of their role within the Company (see page 32)

Our **Human Resources** strategy

Our approach

Gemalto is built on the ingenuity of its people. So our HR policies are critical to the long-term success of the Company. By creating a highly reputable organization with a strong ethical foundation and a culture of innovation, we attract and retain talented people. We also believe that by being in line with our people's personal values and aspirations, we can create a working environment where we can all thrive and feel we belong in a company that provides more than a day job.

Our people are vital to our success

Our business is founded on trust: the trust that our customers have in the performance and ethics of what we do, and the trust our employees have in their contribution to Gemalto's future.

As our business evolves towards the provision of platforms and services, our customers are judging us not only on the technological quality of our solutions but also by the value of our people. The quality of the relationships between our employees and our customers is becoming increasingly important to the growth of our business.

Maintaining the quality, loyalty and trust of our people are strategic imperatives for Gemalto.

Our people in numbers

Total employees

12,000

Regional split of workforce

26%
Asia

52%
EMEA*

16%
Latin America

6%
North America

*EMEA: Europe, CIS, Middle East and Africa

Engineers working in R&D

2,000

Gender diversity

60%
Men

40%
Women

Our **priorities**

Our '8 Pillars' for Human Resources

Our overall approach to managing our Human Resources is based on our '8 Pillars' which put our people at the heart of our Company's future development. In fact, the '8 Pillars' are the foundation on which everything else is built: not only do they serve our employees' needs, but they also support our business objectives.

12,000 Employees in 44 countries

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

Management by objectives

This is an active agenda which we continually review to ensure our goals remain relevant. In our annual Performance Review process employees meet their managers to assess progress against objectives and to set new targets. It provides a key benchmark to guide people through their careers, and ensures we monitor the deliverables that are critical to business success.

96% of exempt employees have completed their 2013 performance review on time.

Ethics and community

Our Code of Ethics sets out the standards by which we operate. It is the foundation that governs our relationships with clients, suppliers, stakeholders and colleagues.

Our community program, Your World, encourages employees' activities in local non-profit organizations that focus on environmental and humanitarian activities.

71 employees' projects supported in 2013.

Mobility

To gain an in-depth understanding of our business, our future leaders need to see different aspects of our Company, through different roles in different domains. With schemes like the Young Transfer Program we encourage geographical and functional mobility. This supports our strategy of developing experienced management teams and technical experts in key markets.

23% of exempt employees work outside their home country.

Training

Our training program aims to help people accomplish their jobs today and evolve their careers for tomorrow. It is about giving people the additional knowledge, skills and creativity to deliver on our vision, while supporting their current activities.

36 training hours per employee in 2013 in average.

Recruitment

Our recruitment is based on criteria that help us ensure a fair and ethical approach, while identifying the best available talent for the Company. Every year, we strengthen our talent pipeline by recruiting in more than 35 countries.

In 2013, we hired people of 65 nationalities in 40 countries.

Compensation and benefits

Our compensation and benefits charter 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

This is fundamental to the development of our people. It ensures we have a sustainable leadership model and the core skills to meet our long range plans. When employees are trained, challenged and in control of their careers they are best placed to take us into the future.

94% of our 250 most senior people had been promoted from within by the end of 2013.

Diversity

Our customers, their markets and the solutions they require are varied, changing and complex. To understand them, we need the open-mindedness of a diverse workforce. Our emphasis on diversity gives us a clear competitive advantage, provides us with legitimate criteria from which to implement fair and equal employment practices and ensures we are behaving ethically.

In 2013, 44% of newly recruited staff were women.

Learning and development

Our objectives

Because the digital world is evolving rapidly, one of our most important HR objectives is to invest in our people to grow their skills in the relevant areas. Our employees need to be able to respond to the needs of our customers and markets, and to anticipate and adapt to new technologies and challenges.
So each year we invest 2% of our total salary costs in training, offering a wide range of courses and other schemes. In 2013, we delivered over 328,000 hours of training worldwide, benefiting over 9,000 individual employees. That means 75% of our total workforce received training in 2013.

At the end of 2013, of the 250 most senior people in the Company, over 94% had been promoted from within. This reflects the quality of our learning programs and efforts to support the career advancement of our people over the mid to long term.

Training programs

We run a wide number of specific learning programs every year. These include the 'Gemalto University' which comprises:

- Discovery Leadership program, held every two years for new recruits

- Emerging Leadership program, through which we build a cross-functional, international network of participants who receive a diverse range of learning experiences focused on digital security

- Executive Learning expedition which allows our management team to explore and develop through benchmarking best practices in different industries and ecosystems.

We have also developed a 'Marketing Curriculum' which enables participants to evolve their skills and knowledge in world-class marketing practices.

Developing innovation

We place considerable emphasis on developing the innovative capacities of our teams to meet future needs and ensure our long-term success.

One of the ways we encourage this is through the 'Gemalto Technical Ladder'. This enables our technical experts to develop their international career paths across different business groups.

We have also continued to expand the number of 'innovation cafés'. The idea is to enable our experts to present their technical work in different Gemalto sites, and to promote the importance of the Technical Community to the Company as a whole. This allows us to optimize our internal knowledge transfer by engaging with peers and sharing across the organization.

Key figures

94% of our 250 most senior personnel have been promoted from within

75% of our total workforce have received training in 2013

78% learning and development satisfaction over the last three years

What's next?

- Continue evolution of learning and development to meet business needs and fulfill our customers' requirements.

- Continue to ensure that people in all job functions receive high-quality learning programs suited to their abilities and aspirations.

- Offer three levels of Gemalto University in 2014, focusing on technical skills development.

Diversity and employee engagement

Demographics

We try to recruit employees with a wide range of cultural and educational backgrounds, and always aim to be fair and inclusive in our recruitment and promotion processes.

In 2013, 29% of our new employees came from Europe, the Middle East and Africa (EMEA), 43% from Asia and 28% from North, South and Central America. Of the 65 nationalities recruited last year, the top five were, in descending order: China, Brazil, Mexico, France and the Czech Republic. Our geographical headcount broadly matches our geographical revenue distribution.

Gender diversity

Women represented 44% of new recruits, and we aim to encourage the promotion of women to more senior management positions. In 2013, women represented 38% of the intake to our 'Gemalto University' leadership development program compared to 35% in 2012. In addition, two women were appointed to the Senior Management team as of 1 January 2014. The other six members are men. And amongst the 11 members of our Board, we appointed a third woman as a Board member during 2013.

In 2013 Gemalto Mexico received a Certificate of Gender Equality from the country's National Women's Institute following a thorough audit of the Company's policies, procedures and practices. We also sponsored the 2013 Grace Hopper Celebration (GHC) in the US city of Minneapolis.

The GHC is now the world's largest gathering of women in computing. Furthermore, we established our own women's professional network. This has 120 members around the world, and links with other women's networks among our customers and external organizations, as well as spreading best practice internally.

Employee engagement

'PeopleQuest' is our annual employee survey. It tracks satisfaction across the Company, and is available online to our employees in nine languages to encourage as much take-up and feedback as possible. Each year, we use the results to make improvements for the year ahead. We design these to meet employees' expectations, in particular aiming for areas where survey scores are lower.

In 2013, over 150 actions inspired by PeopleQuest were carried out including Family Days and improvements in work spaces. We also communicated around our HR Practices during a dedicated worldwide HR day which took place in November in our main locations worldwide.

The survey response rate in 2013 was 82% compared to 78% in 2012 and of these 81% said they were satisfied with Gemalto. This high level of participation suggests that employees understand the correlation between PeopleQuest and improved outcomes in their working lives.

Our process of implementing improvement actions throughout the year is key to the success of PeopleQuest. By creating a stimulating work environment and providing continual management support we allow our people to thrive and feel proud to work at Gemalto.

During 2013, we also launched an internal campaign aimed at strengthening our employees' engagement with Gemalto's brand purpose. With a video based on images of building bricks or boxes, we invited them to share their own personal role and motivation with colleagues around the world. Over 2,000 people participated in the event (see photo page 28).

Key figures

44% of new recruits are women

81% satisfaction in our annual employee survey (+1%/2012)

150 actions taken as a result of our employee survey

What's next?

- Continuing promotion of diversity in 2014.

- Engagement in programs encouraging gender balance such as our internal women's network and our external outreach to universities and schools in recruitment.

- In 2014, we will focus our actions on communicating more clearly on professional opportunities, and make sure our employees have the best information and tools available for building their careers.

A safe place to work

Health and safety

We aim to provide a safe environment for all our employees and visitors. We ensure continuous improvement through our Human Resources and Health and Safety management systems. And we use OHSAS 18001 to gain external assurance.

Focus on safety

Our operations normally pose few direct safety risks. Nevertheless, we strive to ensure that our activities comply with the highest standards of control. All our production areas and our two main administrative sites are OHSAS 18001 certified, covering 67% of our employees. We also challenge our practices through external benchmarking and independent assessments.

In 2013, the total number of lost working days (LWD) resulting from injuries across the Company rose to 1,082, compared to 858 in 2012 and 1,295 in 2011. However, the total number of injuries resulting in at least one LWD fell to 60, which is 4% less than in 2012 (63).

Where safety risks do exist, they mainly relate to four areas:

- Ergonomics issues in our production sites; and musculoskeletal disorders (MSD)

- Manufacturing equipment, forklifts, pallet trucks and elevators

- Hazardous substances, compounds and chemicals used in manufacturing

- Business travel and commuting.

Ergonomics, MSDs and equipment

Ergonomics issues are mainly related to the movement of materials in our production sites. Musculoskeletal disorders (MSDs) are mainly linked both to repetitive movements in production areas, and to seating positions in offices. To mitigate all these problems, we regularly run awareness and training programs. To reduce risks linked to equipment, we share experiences (lists of accidents, analysis and preventive actions) so that each site can improve its prevention plans.

Managing hazardous substances

Some of the chemicals we use (such as inks and solvents) risk being flammable, irritating or toxic. We regularly train employees who work with them and as a result have not been subject to any related accidents since 2010. We also conduct internal audits to ensure that internal procedures are respected and working conditions are safe.

In addition, we have drawn up a list of substances to be avoided in our products, based both on worldwide regulations and market requirements. We share this with our main suppliers and work with them to eliminate any substance of very high concern as listed in the REACH regulation. We strengthened these actions in 2013 by launching a program to proactively assess the danger of the substances we use and, depending on their potential impact on health or the environment, to challenge suppliers to consider substitutions.

Key figures

17 OHSAS 18001 certified sites in 2013

67% employees covered by OHSAS certification

What's next?

Reduce accidents and lost working days by 5% across the Company in 2014.

Commuting and business travel

Commuting, including road accidents, represents 20% of Gemalto's total lost working days (LWD). To mitigate this we run a Defensive Driving program for our 'business drivers' – those who rent a car, are reimbursed for mileage or are required to drive as part of their duties. By the end of 2013, 17% of them had attended a course, and on some sites all employees had participated.

The security of employees travelling on company business is also vital. We apply rigorous principles in travel risk management which we upgraded in 2013. They include enforcing a travel validation process, offering pre-trip information and support, and having 'security champions' wherever we operate.

Supporting our employees' **charitable activities**

Gemalto aims to make a positive contribution to the communities in which we operate. Our employees often live close to the sites where they work, forming part of the local community. We therefore help them to support local environmental and humanitarian activities through our Your World program.

Encouraging Your World

Those interested in Your World funding can apply as individuals or as a team by sending a project description to a panel composed of local managers and employees. For individual projects, the main selection criterion is strong personal involvement. For group projects, there should also be opportunities for team building. Funds allocated to each project range up to €2,000.

Each site also helps employees to organize activities separate from the Your World program, to target specific issues in the community. Gemalto employees can contribute in various ways, giving time, money or donations in kind when relevant.

Your World projects

In 2013, 71 Your World projects, involving more than 440 employees, received total funding of €78,000. These included:

- Taking part in a tree-planting activity organized by Hong Kong Green Nature Union

- Running for 'Presta tu pierna' race organized in Colombia, to protest against landmines

- Sponsoring Musiquelaine SA, an organization promoting and supporting classical and jazz music within disadvantaged community schools in South Africa

- Participating in the Zumbathon for Autism in Canada

- Organizing a cultural trip for underprivileged families with 'Accueil Goutte d'Or', a voluntary social center in France.

Disaster relief

We also have a disaster relief policy. This sets out how Gemalto responds to sudden natural catastrophes such as earthquakes, tsunamis and floods. We respond to disasters that occur in countries where we operate, matching employees' donations and providing technical help and guidance. We only make donations to reputable not-for-profit, non-governmental organizations.

When we conduct our annual PeopleQuest employee survey, we offer an incentive of one euro for each completed questionnaire, donated to organizations supported at Gemalto sites.

In 2013, through our disaster policy, we supported NGOs providing help to the victims of the Western Sichuan earthquake (China), floods in Prague (Czech Republic), and the earthquake and Typhoon Haiyan (the Philippines).

Key figures

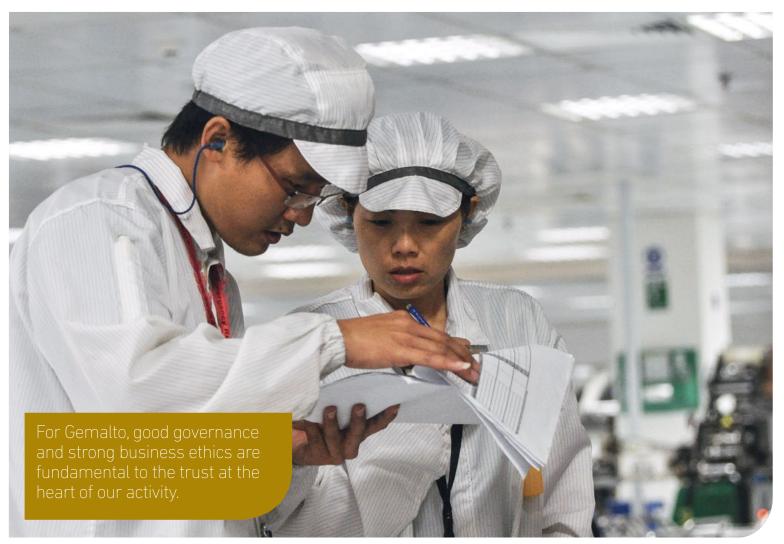**71** employees' projects funded through Your World program in 2013

What's next?

Define a 'cause' to focus our community efforts worldwide.

Managing our **business responsibly**

For Gemalto, good governance and strong business ethics are fundamental to the trust at the heart of our activity.

In this section:

Photo:
Careful management at our Singapore facility

A **responsible** supply chain

Our approach

We work with our suppliers to create a viable, high-quality, trustworthy supply chain that supports our business objectives. In particular, we focus on the sourcing of raw materials; labor policies and practices; compliance with environmental legislation; and transport. We also strengthen our attention where there are specific local risks – for example, placing a stronger focus on business ethics in regions where corruption is known to exist.

Responsible purchasing

Our purchasing policy includes key environmental, social and ethical criteria. We also pay close attention to our suppliers' business practices – and particularly those on our Tier 1 list – so that we minimize any social and environmental risks related to their operations.

Our responsible purchasing model is based on the UN Global Compact electronics industry best practice, and includes:

- The Gemalto Purchasing CSR Charter, which sets out our purchasing principles and expectations towards our suppliers in respect of health and safety, environmental risk, and transparency. This has now been signed by 87% of our Tier 1 corporate suppliers (notably for materials, chips, support services and transport). These are part of the panel of suppliers we work with regarding CSR and who account for around 70% of our spending

- A Responsible Purchasing Steering Committee which guides and informs all our purchasers from the different regions about our policies, yearly objectives, processes and results

- A CSR risk analysis of critical suppliers, which assesses, ranks and monitors their social, environmental, financial and business performances.

CSR supplier audits

The CSR risk analysis process is initially based on our suppliers' self-assessments. However, this can also lead us to conducting rigorous audits when necessary. These entail providing on-site training and working with our suppliers to grasp and address the key issues identified and to develop detailed action plans and recommendations.

When critical issues are raised, we insist that immediate action is taken to quickly address any potential breaches of our CSR standards.

During 2013 we carried out eleven audits in five different countries. According to the severity of the issue(s) raised, these resulted in action plans which we then followed up with progress checks and additional site visits when needed.

Our auditing process has multiple objectives: to ensure our supply chain is aligned with our standards, to retain the best suppliers, and to ensure all of them work with acceptable standards and processes.

The maturity of our suppliers in terms of CSR depends on the country where they are established and their size and organization. We aim to develop a good collaboration in order to help them understand our requirements and follow up their development.

A responsible supply chain continued

Sourcing minerals

Among the raw materials we use in our production processes – and specifically in making modules during the assembly of smart chips – only gold requires particular attention with regards to its origins.

For this reason we require suppliers to guarantee that the minerals we purchase originate from 'conflict-free' sources, based on the EICC's (Electronic Industry Citizenship Coalition) definition.

The EICC is a coalition of the world's leading electronics companies working together to improve efficiency and social, ethical and environmental responsibility in the global supply chain. We are therefore confident that we only use gold from acceptable sources.

Key figures

87% of our Tier 1 corporate suppliers signed our Purchasing Charter

11 audits were carried out in five countries/or suppliers

What's next?

• Participate actively in the evolution of our suppliers' CSR journey by defining together objectives and action plans and planning specific audits

• Define and use specific CSR KPIs according to each sector of activity (e.g. support services or manufacturing) during our supplier RFQ process

• Use the Global Reporting Initiative (GRI) indicators as guideline to assess our purchasing performance

• Obtain 85% completion of our CSR self-assessment questionnaires by members of our CSR supplier panel to assess their maturity and performance in this domain.

Ethics and governance

Working with integrity

To maintain the trust which is at the core of our business, we place great emphasis on conducting our business with honesty and integrity, complying with best practice, and conforming to the highest standards of corporate governance. Our principles are shaped by codes and charters which underpin the ethical backbone of our management practices.

Human rights
Gemalto supports and complies with The Universal Declaration of Human Rights and the International Labor Organization (ILSO) standards.

As a signatory of the United Nations Global Compact we also benchmark our policies and results against world-class performers, reviewing them annually against the Compact's ten principles.

Our internal HR rules help ensure that we avoid potential risks and are usually above and beyond local rules and regulations.

Our Code of Ethics
Gemalto applies high ethical and professional standards, whether or not imposed by law.

Our Code of Ethics was published in 2009 and we asked all our existing employees to sign and endorse it. At the end of 2012 we updated it to include additional chapters covered by the UN Global Compact. This new Code, validated by Gemalto's Board, is now the reference for the work we do, how we work with others and how we deal with each other.

The Code is also supported by additional Codes of Ethics that specifically cover purchasing and Internal Audit. It is signed by all new recruits and is also part of our induction process for new employees brought into the Company through acquisitions.

Anti-fraud, bribery and corruption
Gemalto's anti-fraud framework aims at preventing, detecting, deterring and responding to fraudulent activities. It is overseen by the anti-fraud commission, which comprises six senior managers and has met each quarter since 2008. Its remit includes continuous assessment of fraud risks and responsibility for our anti-fraud policy. This requires all managers to inform the commission of any suspicion of fraud. Employees can also use a Gemalto whistle-blowing line to raise concerns about financial irregularities to a confidential advisor. In 2013, 15 of our 52 internal audits were either focused specifically on fraud risk or partially motivated by fraud concerns.

The commission is also responsible for employee training, and in 2013 over 1,000 people undertook our anti-fraud eLearning program, more than 700 key personnel received anti-fraud or anti-bribery training and newsletters including these topics were sent to over 2,000 employees.

Gemalto also focuses on third parties. Our Purchasing CSR charter applies equally to employees and suppliers, and clearly states both sides' obligation to flag, address and monitor any corruption concerns or verified practices.

We also work with agents and other intermediaries to promote our solutions and services in certain territories or projects. In this context, 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. This policy was revised in June 2013 with additional information and standards on our employees' management of agent relationships, including selection, commitment, follow-up, evaluation, renewal and payment.

Governance
Gemalto is a Dutch company listed on NYSE Euronext Amsterdam – our market of reference – and on NYSE Euronext Paris. Gemalto's 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 Netherlands Authority for Financial Markets) is the Company's supervising authority. Gemalto also follows the French *Autorité des Marchés Financiers* (AMF: French Financial Markets Authority) regulations where applicable, and in addition has several complementary internal procedures.

The Board of Gemalto is committed to meeting the highest standards of corporate governance as a central element in Gemalto's long-term success. To ensure its effectiveness, one of its key aims is to have a rich blend of experience around the table to provide real insights into the global, technological environment Gemalto addresses. Since 2012 it has appointed three new non-executive Board members from Asia and the US, Homaira Akbari, Yen Yen Tan and Drina Yue – all active businesswomen who are contributing a diversity of skills and experience for the benefit of the Company as a whole.

For more information on Gemalto's governance structure see pages 61–66 of our 2013 Annual Report.

Risk management and control

A distinctive feature of our business is that security, and therefore risk management, is an intrinsic part of our solutions and devices.

As some potential risks could impact our business's operational security, integrity and continuity, we see effective risk management as part of our responsibility to customers, investors, employees and other stakeholders. Our customers trust us to make it integral to our service and our culture.

Risk management

Risk assessment is carried out at all management levels: corporate (e.g. for acquisitions and Group-wide risks), business (e.g. for major bids and contracts), function (e.g. ISS), domain (e.g. fraud) and site (e.g. operational risks).

Our principal risks and related mitigation steps are explained on pages 44–45 of our Annual Report 2013.

We have developed five dedicated risk management processes across the organization:

- Budgeting, planning and reporting

- Risk assessment and treatment

- Crisis and business continuity management

- Fraud risk management

- Transfer to insurance.

Internal audit

We have a dedicated Internal Audit department of eight people that assesses our risk management and internal control systems. The internal audit 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 Audit committee Chairman and the CEO. He also holds private sessions with the Audit committee, at least annually.

Crisis management and business continuity

Since we cannot identify all the risks we may face, our crisis management organization and business continuity responses are there to improve our resilience to unforeseen events. This proactive approach has enabled us to respond effectively to issues when they arose, minimizing their impact on our stakeholders and reputation.

Our crisis management framework encompasses basic escalation and communication rules, guidelines for anticipation and action, and clear roles and responsibilities. Over 100 crisis management leaders are in place worldwide, trained through simulation exercises. In 2013, we continued to update and refine our crisis management framework and plans and ran a full-day simulation exercise with our Board of Directors (in Istanbul).

We have also developed business continuity responses 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 so that we are not dependent on a single supplier; and the creation of redundancy in our infrastructure so that support is available in the event of a problem. We reinforce this by storing certain types of key data in back-up sites, so enabling our operations to continue uninterrupted even in the face of difficulties.

In 2013, we started to build a central business continuity organization, framework and templates with the objective of making our business continuity initiatives across the Company even more consistent and ingrained.

What's next?

In 2014, we will continue to evolve and build on our existing risk management framework, enhancing risk management across the business in line with best practices. Our next set of priorities includes:

- Strengthening our resilience to business interruption

- Performing a new Enterprise Risk Assessment for the 2014–2017 Development Plan.

Standards, **compliance** and **management** systems

External certifications

Our sites and management systems are compliant with several ISO standards and are subject to annual assessment and external certification. These include: Quality (ISO 9001), Environment (ISO 14001), Health and Safety (OHSAS 18001) and Security (ISO 27001).

International frameworks

We support and comply with the United Nations Universal Declaration of Human Rights, and the International Labor Organization's standards.

Management systems

We apply a set of management systems including Risk management; Security management; Environmental management; and Quality management.

Trade compliance

Gemalto is committed to ensuring that it is in full compliance with international, regional and local laws and regulations relative to customs and trade controls applicable to the Group wherever it does business. This commitment is expressed through a dedicated network of Trade Compliance champions, operating under the leadership of the Corporate Trade Compliance Manager. The Trade Compliance department also organizes regular training sessions on key topics at global and local levels to improve awareness and efficiency in Trade Compliance management. Since 2010, more than 1,100 people have been trained in this way.

Gemalto is aware that in exceptional and unforeseeable circumstances, its products and solutions could potentially be redirected from their originally intended purpose.

However, we have strict procurement, due diligence and ethics policies and safeguards to counter this eventuality, and we are also compliant with the international 'Wassenaar Arrangement' relating to 'dual use' goods. These are 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 the local Export Control authorities of each country where they are exported, and obtains an additional export license if necessary.

Data protection and security

In the course of its business, Gemalto routinely processes significant amounts of data relating to its customers and their end-users, as well as to its suppliers and employees. Since it is of paramount importance that everyone concerned trusts us to manage the confidentially and privacy of this data, its protection is equally as important to us as it is to them.

The data is stored in sites and centers that we own or control around the world. It is held under the responsibility of our Corporate Security and IT departments and subject to the stringent safeguards of our Security Management System (SMS). This is based on a set of policies, processes and dedicated tools, as well as a people awareness program. Its remit encompasses not only the logical security of the data (confidentiality, integrity and availability) and the protection of networks by the use of firewalls and other means; but also the physical security of our sites, centers, equipment, transport and personnel. The implementation of our SMS is assured by a worldwide organization with security officers in all relevant sites and centers, support from corporate and regional security departments, as well as regular training for employees.

In addition, our anti-fraud commission conducts or commissions regular internal security audits, which also cover IT subcontractors. As confirmation of our high standards, we are regularly granted security certifications by a number of third parties (including ISO 27001, EMV, GSM SAS, etc.).

To further reinforce this aspect of our business, we appointed a Director of Global Data Privacy in 2013. His role is to establish and maintain Gemalto's institutional knowledge of laws and regulations, provide training to ensure compliance, advise and implement policies and practices, strengthen our management of privacy risks and promote privacy protection in all our activities.

Overall, this multi-faceted approach to data protection contributes to our ambition to create a world-class organization trusted for its management of privacy and security.

Financial responsibility

Gemalto follows a deep-rooted policy of responsible financial management. This is fundamental to the way we run the Company, as it is vital for its long-term resilience and a pre-requisite for doing business with many of our clients.

As a Dutch-registered company with dual listing in Amsterdam and Paris, we comply with market regulations and robust financial control systems in both France and The Netherlands. These include examination of our financial management by external independent auditors as well as review by Gemalto's Board of Directors, particularly the Audit committee. Its Chairman is an independent member and a specialist in audit activities.

Gemalto pays taxes in the countries where it operates (see our Annual Report 2013 for further details). In this Annual Report we also disclose the bridge between our effective tax paid and the Dutch statutory tax rate that we would have incurred if we had operated solely in The Netherlands.

Standards, compliance and management systems continued

> The quality and reliability of our products and solutions is central to our commercial offer and working methods. Indeed, during our annual customer satisfaction survey, our customers have systematically ranked quality as one of our main strengths.

Quality and reliability

We operate using a 'make-to-order' process rather than a 'making to stock', sourcing raw materials according to customer requests. We also make components based on specific functional specifications rather than generic characteristics. This allows us to create bespoke products tailored entirely to our customers' needs – and ensure punctual delivery.

Our 'World Class Enterprise Group', a global unit of some 60 people, is dedicated to continuous quality improvement. Its members, who have undergone comprehensive training, also anticipate forthcoming standards to ensure Gemalto is always in line with best practice and fully compliant with current and future regulations.

Our annual 'Operations Excellence Award' scheme identifies the best contributions to customer satisfaction, quality, service and cost improvements. In 2013 it had two gold award winners: one for the ramp up of a new production unit to serve one of our key markets; and the other for a new product enabling us to serve our customers in a more efficient and flexible way.

RoHS, REACH and WEEE compliance

We continue to focus on improving our processes to ensure that our products comply with the following directives and regulations:

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 our suppliers to assess their compliance.

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

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

Key figures

28 sites ISO 9001 certified

81% of employees covered by ISO 9001 certification

Our performance in detail

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

Photo:
Protecting Brazil's Amazon rainforest with award-winning technology (see next page)

Recognized by **awards**

Every year, Gemalto receives a number of awards for its work. Being so recognized is important because it highlights our performance and positions us among other leading international companies. Beyond our expertise in the technology field, the work of many of our support teams and individuals is often recognized by third parties.

International recognition

2013 was again a very good year for Gemalto, and in the technical and innovation area our solutions and services were widely rewarded as follows:

- Our innovative M2M-based pilot that helped thwart illegal deforestation in the Amazon rainforest won IDG's Computerworld Honors and a Sesames awards at Cartes 2013. The solution enables the Brazilian Environmental Protection Agency to track trees being removed from protected areas. Rugged, discreet sensors with high performance wireless connectivity have been installed in the trees. They use Gemalto's Cinterion M2M technology to send out alarms before illegally logged timber can be sold (see photo page 42)

- We won the Best LTE Security Product Award at the LTE World Summit – our fifth prize in the advanced connectivity field in two years

- M2M Technology's role in improving Hurricane Sandy efforts was honored with Connected World 2013 Gold Value Chain Award

- Once again thanks to our M2M technology we were the recipient of the iMobility Industry & Technology Award and the ERTICO HeERO Award for the use of M2M in the eCall European pilot

- We also gathered two Future Mobile Awards from Industry Analyst Juniper Research for NFC and Mobile Payments

- Gartner positioned Gemalto as a Leader in its 2013 Magic Quadrant for User Authentication

- Frost & Sullivan named us '2013 Company of the Year' for the Global Digital Identification Market

- Serverside's solution for Barclays Bank's personalized debit card won the Best Card Design Award in the UK.

Gemalto also got awards in 2013 recognizing our expertise and state-of-the-art best practices in various domains:

- Legal teams received the prize for Best Legal Department for an International Company at the French Legal Trophies

- Our Risk Management approach won the second prize in the Risk Assessment Category at the Risk Management Trophies

- We received the Grand Prize of the E-Learning Excellence Awards for our eLearning and knowledge management initiatives

- The evolution in design and content of our corporate magazine – The Review – permitted an unprecedented fifth consecutive win at the International Content Marketing Awards in the Best B2B Technology and Telecoms category.

People being one of our three values, it is always a pleasure to see Gemalto employees in the spotlight:

- Caroline Vignollet received the French Woman of Industry trophy in the R&D and Digital category by magazine *L'Usine Nouvelle*

- Eric Besson was named Professional of the Year at the Business Travel Laurels

- Jean-Paul Caruana was given the Valorization and Transfer prize for his work on the Very High Data Rate (VHDR) contactless technology by the French Agency for Research.

Performance indicators

Supporting our customers

	2012	2013
Customer satisfaction		
Customer survey results		
Confidence index over 1,000 per year	710	723
% of satisfied and very satisfied customers	85	86
Consumers		
Social benefits of our products		
Number of people for whom solutions make financial access possible (qty in million)	67	934
Online support to end-users/consumers (www.justaskgemalto.com)		
Number of new tips created and posted	157	147
Number of questions received	821	986

Reducing our environmental impact

	2012	2013
Carbon footprint		
Number of Gemalto sites having calculated their CO_2 footprint	21	23
Number of carbon compensated cards produced per year (qty in million)	10	9
Water consumption (in ISO 14001 certified sites)		
Total consumption per year (m³)	132,959 (18 sites)	124,314 (19 sites)
Consumption per employee and per year (m³)	16.27	14.45
Energy consumption (in ISO 14001 certified sites)		
Total consumption of electricity, gas and fuel (in MWh)	128,851 (19 sites)	113,269 (22 sites)

Note

All measurements are metric.

Reducing our environmental impact continued

	2012	2013
Waste management (in ISO 14001 certified sites)		
Total waste generated (tons)	4,207 (18 sites)	5,140 (22 sites)
Valorized waste (tons)	3,641	4,187
Non-valorized waste (tons)	566	953
% of valorized waste (reused or recycled including energy recovery)	87	81
Hazardous waste per year (tons)	193	365
Non-hazardous waste per year (tons)	4,014	4,775
Transport		
Global distribution of freight transportation modes (tons)	Air 6,249 Road 5,112 Sea 1,023	Air 6,357 Road 4,309 Sea 2,202
Global distribution of freight transportation modes (tons/km)	Air 35,547,765 Road 4,664,394 Sea 12,910,173	Air 37,124,832 Road 4,647,555 Sea 27,208,751
CO_2		
CO_2 emission linked to product transportation (outgoing freight)		
CO_2 eq ton emissions	Air 47,559 Road 4,204 Sea 88	Air 49,751 Road 4,107 Sea 185
CO_2 eq ton/product ton	4.2	4.2
CO_2 eq kg/ton x km emissions	0.00098	0.00078
Number of sites reporting on monthly basis CO_2 emissions linked to outgoing freight	15	16
CO_2 eq emissions, linked to energy consumptions (scope 1 & 2), in certified sites	46,484 (18 sites)	41,035 (22 sites)

Performance indicators continued

Reducing our environmental impact continued

	2012	2013
ISO 14001 certification		
Number of certified sites	20	22
% of covered employees	71	77

Valuing our people

	2012	2013
Headcount	10,000	12,000
in Asia		26%
in EMEA		52%
in Latam		16%
in Noram		6%
Number of different employee nationalities	106	113
% of women		40
% of employees having permanent contract	95.5	95.8
Turnover rate		
Turnover rate (for 'exempt' employees) (%)	6.1	7.9
in Asia	9.6	11.1
in EMEA	3.2	5.5
in Latam	9.8	9.9
in Noram	7.1	10.7

Valuing our people continued

	2012	2013
Training		
Training satisfaction (%)	78	78
Average hours of training per person trained	26	36
in Asia	28	49
in EMEA	26	25
in Latam	42	46
in Noram	11	38
Training budget (% of total salaries)	2	2
% of Gemalto employees trained during the year	55	75
in Asia	40	70
in EMEA	59	49
in Latam	29	87
in Noram	81	85
% of employees having received training with a CSR content among employees trained during the year	37	45
Number of trainings with a CSR content in the training catalog	15	15
% of trainings with a CSR content in the training catalog	27	27

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.

Key

Asia: Asia Pacific.

EMEA: Europe, Middle East and Africa.

Latam: Latin America.

Noram: North America.

Performance indicators continued

Valuing our people continued

	2012	2013
Promotion from within		
% of top management positions filled in house (%)	92.5	94.5
Recruitment and diversity		
Number of people recruited	2,346	1,841
in Asia	1,071	793
in EMEA	718	536
in Latam	467	392
in Noram	90	120
Number of nationalities recruited	69	65
Recruitment by gender and by position (qty)		
Men	1,313	1,038
Exempt	687	583
Non-exempt	626	455
Women	1,033	803
Exempt	300	300
Non-exempt	733	503
Number of graduates hired directly from the schools and universities	214	201
Women graduates hired directly from the schools and universities (%)	39.2	44.0
Exempt employees working in a different country than their mother country (%)	22	22.8
% of expatriates within exempt population	4.8	4.30

Valuing our people continued

	2012	2013
Employee satisfaction survey		
Answer rate (%)	78	80
Answer rate by position (%)		
Exempt	79	82
Non-exempt	77	79
Answer rate by region (%)		
in Asia	86	90
in EMEA	68	71
in Latam	91	91
in Noram	86	88
Satisfaction rate (%)	80	81
Satisfaction rate by region (%)		
in Asia	86	84
in EMEA	73	77
in Latam	85	85
in Noram	81	81
Satisfaction rate by position		
Exempt	80	83
Non-exempt	80	79

Key

Asia: Asia Pacific.

EMEA: Europe, Middle East and Africa.

Latam: Latin America.

Noram: North America.

Performance indicators continued

Valuing our people continued

	2012	2013
Appraisal		
% of exempt employees with annual interviews	98	96
in Asia	100	98
in EMEA	97	94
in Latam	98	98
in Noram	99	99
Health and safety		
OHSAS 18001 certification		
Number of certified sites	16	17
% of covered employees	65	67
Number of major non-conformities	0	7
Employee accidents/injuries		
Number of injuries with lost time (LTI)	63	60
Number of lost working days (LWD)	858	1,082
Hazardous substances		
Number of hazardous substances concerned by REACH regulation	138	151
Number of hazardous substances monitored by Gemalto	239	239

Valuing our people continued

	2012	2013
Community		
'Your World' corporate funding program		
Number of 'employee-community' projects funded	57	71
in Asia	6	5
in EMEA	23	27
in Latam	19	26
in Noram	9	13
Number of employees involved	436	443
Total amount of social investment (in €)	68,146	99,394

Key

Asia: Asia Pacific.

EMEA: Europe, Middle East and Africa.

Latam: Latin America.

Noram: North America.

Performance indicators continued

Managing our business responsibly

	2012	2013
Supply chain		
% of suppliers who have signed the Purchasing Charter among key suppliers	92	87
Number of suppliers who have signed the Purchasing Charter among key suppliers	125	110
Number of CSR suppliers' audits		
Full CSR scope suppliers' audits	5	1
Partial CSR audits (suppliers' audits including some questions on CSR topics that have been conducted during the year and inducing an audit report)	5	10

Note

Key suppliers are the main ones, which represent the biggest part of our purchasing spending (using the 20/80 principle).

Managing our business responsibly continued

	2012	2013
Employee training (number of trained employees)		
Legal and regulatory training (Trade compliance, CFIUS, Contracts basics, Authority limits, Code of Ethics*, Bribery laws*, sexual harassment*, etc.)	1,269	1,668
Training on fraud related matters**	767	730
eLearning focused on anti-bribery		1,062
Internal audit		
Internal audits focused on fraud risk or partially motivated by fraud concerns (qty)	25	15***
Security		
ISO 27001 certification		
Number of certified sites	9	8
Quality		
ISO 9001 certification		
Number of certified sites	26	28
% of covered employees	76	81
% of reduction of significant customers' claims, compared to previous year	−5.58	−18

*   Figures were not disclosed in previous reports

** Legal trainings not included as in previous reports: now have been moved into business practices trainings

***Suppliers' audit are now reported separately