

SUSTAINABILITY

REPORT 2013





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CEO'S INTRODUCTION

In the mobility sphere the key word is trust. Trust in products and technology cannot be achieved without trust in the company that is providing them. OT knows the importance of trust to its stakeholders, in every interaction, product and service and we recognize that our Corporate Social Responsibility (CSR) work is crucial to building and sustaining this trust. From our transparent and open relationships, to the highest levels of quality, security and environmental protection, and delivering products and services that benefit society, we are enacting CSR right across our business.

GUIDING PRINCIPLES

In 2006, OT reinforced its corporate responsibility activities by becoming a signatory to the Ten Principles of the UN Global Compact, the world's largest voluntary corporate citizenship initiative, embracing and enacting a set of core values in respect of human rights, labour practices, anti-corruption and the environment. Our participation in the UN Global Compact guides our evolving sustainability agenda and focuses our efforts on achieving harmony between the financial, environmental and social factors that affect us.

FULFILLING LEGAL OBLIGATIONS

In our countries and regions of operation we comply with all applicable environmental legislation. Our skilled network of environmental managers, alongside our Global Environmental Policy bring about a coherent worldwide approach and help us to meet the obligations of complex, cross-country regulations such as Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), Reduction of Hazardous Substances (RoHS) and Waste Electrical and Electronic Equipment (WEEE). In addition to compliance with legislation that directly impacts our organization we are dedicated to helping our customers to achieve the legal compliance applicable to their organizations, wherever they are in the world. In 2013 we consolidated our actions on the ethical sourcing of minerals, publishing an official statement on conflict minerals, updating our Supplier Code of Conduct to include a clause on mineral sourcing and working closely with mineral suppliers to identify the chain of custody of the gold in our products. To date, all concerned suppliers have declared their mineral sourcing to be 'conflict free', and we continue to work on this important subject.

MONITORING PARTNERS

Choosing partners that share our high ethical standards is important to us and to our customers. That's why, during 2013, we launched our annual supplier CSR assessment, scrutinizing our suppliers' policies and practices. This yearly exercise will form a vital part of our key supplier assessment process, provides valuable opportunities to influence those less advanced in terms of CSR, and allows us to learn from the best practice of others at the forefront of the CSR field.



CSR MANAGEMENT

The continuation of our certified management systems in quality, environment, energy, security and health and safety helps us achieve our sustainability goals and provides the opportunity to identify areas for improvement. In 2013 we initiated a social responsibility project based on ISO26000 guidelines for business, through which we are analyzing our sustainability practices, assessing the relevance of our key actions and benchmarking against best practices of our industry peers in order to continually improve our corporate responsibility performance.

Our CSR taskforce, chaired by the Company's VP Purchasing and Corporate Social Responsibility Director, continues to meet at minimum twice yearly to track progress towards goals, review ongoing sustainability initiatives and validate that CSR at OT remains relevant and aligned with the Company's strategy.

This report highlights the CSR developments at OT during 2013 and the plans we have for the year ahead.

Didier Lamouche
President & CEO



"At OT we believe that corporate responsibility paves the way for business success and we understand its intrinsic value in strengthening our relationships, protecting our reputation, rewarding our employees, and reducing costs."



COMPANY INFORMATION

OT is a world leader in digital security solutions for the mobility space.

OT has always been at the heart of mobility, from the first smart cards to the latest contactless payment technologies which equip millions of smart phones.

Present in the Payment, Telecommunications and Identity markets, OT offers end-to-end solutions in the Smart Transactions, Mobile Financial Services, Machine-to-Machine, Digital Identity and Transport & Access Control fields.

OT employs over 6,000 employees worldwide, including close to 700 R&D people. With more than 50 sales offices across 5 continents and 10 facilities, OT's international network serves clients in 140 countries.

OT IN 2013

OT is today a world leader in our chosen markets.

Within these markets, we are delivering solutions that are addressing billions of consumers and that are changing their way of life.



1

**MANUFACTURING HUB
BY CONTINENT**



+ 50

**SALES
OFFICES**



\$1.3 BN

REVENUE



+ 6000

EMPLOYEES

EVERY YEAR

1 BN Smart Cards
personalized in 2013 in
OT's service centers and
manufacturing facilities

OT HAS LONGSTANDING CUSTOMER RELATIONSHIPS

Payment: more than **2,000** financial institutions
Telecom: more than **400** mobile operators
(incl. 8 of top 10)
Identity: more than **100** references

OT SOLUTIONS FOR ALL KIND OF MOBILITY

Our products, solutions and services are of no value unless they respond effectively to the expectations and needs of the 21st century users for more mobility, more services and more security.



**DIGITAL
IDENTITY**



**SMART
TRANSACTIONS**



**TRANSPORT
AND ACCESS
CONTROL**



**MACHINE-TO-
MACHINE**



**MOBILE
FINANCIAL
SERVICES**





EXECUTIVE COMMITTEE

In 2013, the Management Organization was joined by:

Pierre Barrial, *President Latin America & Business Director for Payment in Latin America*

Frederic Beylier, *Chief Operating Officer*

Matthew Foxtton, *Vice President Branding and Communications*

Marek Juda, *Managing Director, Solutions Business Unit*

Anne-France Laclide, *Chief Financial Officer*

Denis Langlois, *Vice President Human Resources*

OT HOLDING SUPERVISORY BOARD



Sergio Giacometto-Roggio
President



Bernard Bourigeaud
Vice President



Frederic Wakeman
Non-executive member

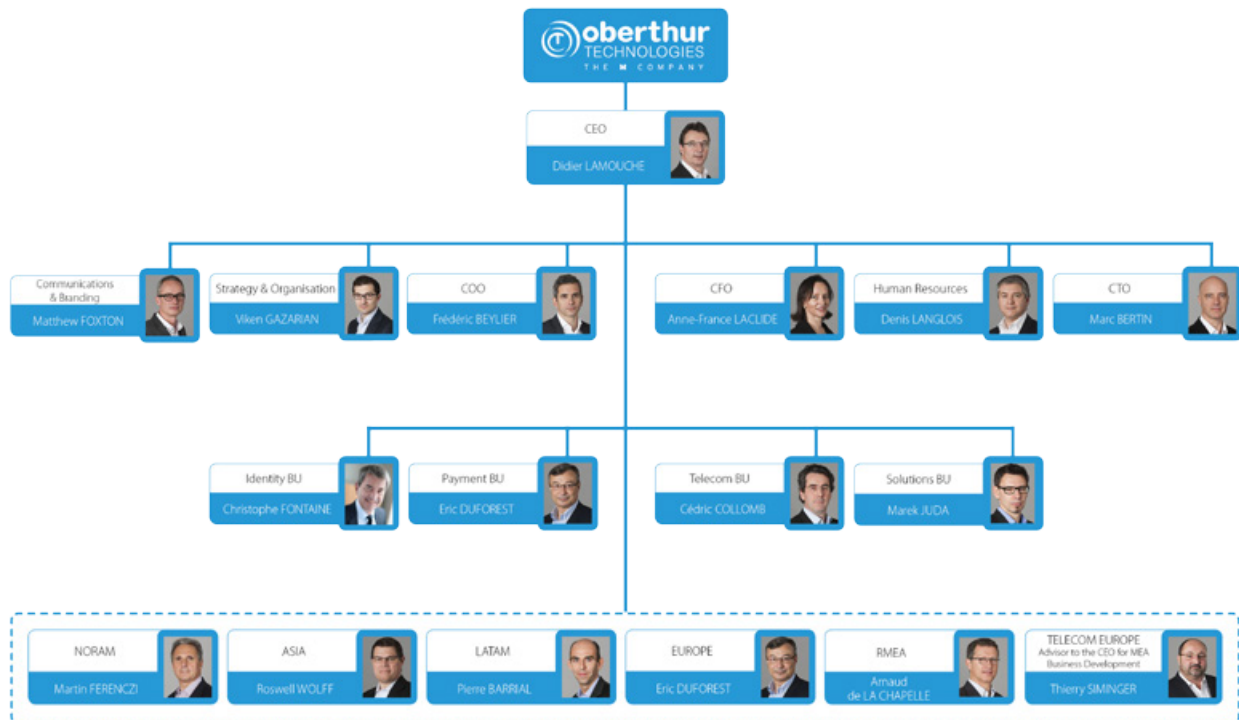


Pascal Stefani
Non-executive member



Cédric Chateau
Non-executive member

MANAGEMENT ORGANIZATION





AWARDS

ALWAYS AT THE FOREFRONT OF INNOVATION

2013



- ▶ **Cartes 2013:** Sesames Award for My Voice is My Password
- ▶ **Cardware 2013:** Silver Award in Payment Innovation benefiting consumers for OT's secure Application Suite for Wallet Management
- ▶ **Cardware 2013:** Silver Award in Payment Innovation benefiting issuers for OT's secure Application Suite for Wallet Management

2012

- ▶ Sesame Award for Multi-brand NFC Payment Wallet
- ▶ Sesame Nomination for PaperSIM, a 100 % natural card body for SIM cards
- ▶ GSMA Award with Etisalat and MasterCard for the Best Mobile Money Innovation at the 2012 Mobile World Congress
- ▶ ACT Canada - 2 x international innovation awards for ID-One™ for Digital Watermark and NFC Now

2011

- ▶ Sesame Awards for ID-One™ Digital Watermark
- ▶ PaperSIM rewarded by French Business Awards for the Environment (Prix Entreprises Environment) by a Special Mention from the French Ministry for Sustainable Development and ADEME (Agence de l'Environnement et de la Maitrise de l'Energie)
- ▶ Prepaid Awards for Best Prepaid Manufacturer
- ▶ Elan Awards for Best Secure Financial Card Design

2010

- ▶ Sesames Awards for Voox: Contactless payment and transport Card
- ▶ Sesames Awards for NFC Now offer
- ▶ ACT Canada International Innovation Awards for Smart Pin
- ▶ ACT Canada International Innovation Awards for EMV in a Box
- ▶ ICMA Elan Awards for FlyBuy Sticker
- ▶ Network Products Guide- Product Innovation Award for ID-One™ PIV Bio
- ▶ GSMA Top Awards: Best Mobile Money for the Unbanked Market





2013 HIGHLIGHTS

Since the arrival of Didier Lamouche as President and CEO of OT in April 2013, the company has experienced rapid development.

In November 2013, OT presented its new brand positioning "The M Company", reflecting its new ambition: to become a world leader in digital security solutions for the mobility space.

In the same month, OT signed a strategic technology and business partnership with First Data, a global leader in electronic commerce and payment processing to manage and promote the migration to chip cards in the United States.

In France, OT was selected by the National Printing Group to equip 100% of new electronic driving licenses. OT provides the embedded operating system in each driving license. Based on OT's specific technology, this high-quality solution - the digital heart of the new French license - is only readable by law enforcement.

Innovation has always been at the heart of the culture of OT: for proof, the company introduced two major innovations in 2013: Lasink™ and MultiSIM:

- Lasink™ is a patented technology to generate a laser engraved color photo on a polycarbonate card. Its aim is to provide governments with a unique and innovative solution for securing all identity documents to prevent fraud and identity theft.
- MultiSIM is the first all-in-one SIM card with the classic plug-ins (2FF), micro (3FF) and nano (4FF). The MultiSIM combines all form factors in a single card, easy to use. This is a significant move in the Telecom market because it significantly improves the practicality of the SIM card. In practice, this means that the same SIM card, regardless of its size, can be used in all mobile phones.

In 2013, OT was ranked number one in contactless smart cards market by ABI Research and it has been selected by the Chinese manufacturer Xiaomi to provide PEARL, its embedded secure element to enable Chinese consumers to pay with their mobile phones. OT's embedded secure element was certified the same year by MasterCard and Google Wallet.

On the Identity market, OT successfully delivered in 2013 an end-to-end ePassport solution in Uzbekistan, including citizen enrolment, e-passport personalization, document verification, border control and authentication. The company signed a contract with the Mexican Government to supply a high-tech identity document solution through a complete solution for state-of-the-art personalization, combining a high-level secure component and dedicated technical equipment. It also delivered a turnkey eGovernment solution to the Swedish Tax Agency.

In the Telecom sector, OT provided AIS in Thailand, with MIFARE DESFire™ technology, embedded in new generation NFC SIM cards for public transportation, to enable a mobile phone to be used as an e-purse to pay for public transportation and goods.

In 2013, OT joined the Fast IDentity Online (FIDO) Alliance to enhance end-users' online experience through the promotion of end-to-end, universal authentication framework and has been appointed to the Board of Directors.

Finally, at the same time, the management team has been significantly changed in a number of key business functions, with the arrival of new executives and managers, all benefiting from extensive experience in international groups.



INDUSTRY ASSOCIATION MEMBERSHIPS

GLOBAL PRESENCE IN STANDARDIZATION

- **ETSI** for SIM / Embedded SIM standardization
- **GlobalPlatform** for System Committee (TSM), Card Committee (embedded SE, card specification & compliance), Device (TEE)
- **3GPP** for Telecommunication specification
- **SIMalliance** for secure element based services specification
- **GSM Association** for NFC, Embedded SIM, Mobile Wallet, Mobile couponing, Mobile Identity
- **Fido Alliance** for mobile identity solutions
- **OSPT Alliance** for transport services
- **EUROSMART** developing smart security standardization
- **Smart Payment Association** helping to create secure and interoperable payment systems
- **Java Card Forum** working to establish the standards of Java Card smart cards
- **Calypso Networks Association** promoting contactless technology in transport through the CALYPSO standard



INDUSTRY PARTNER IN DIFFERENT MARKETS

- **VISA** scheme
- **MasterCard** scheme
- **AMEX** scheme
- **EMVCo** working on the EMV specification
- **Common Criteria** for security of secure elements
- **AFIMB** French agency for transport ticketing
- **ISO** developing and publishing International Standards
- **AFSCM** working on a common NFC specification for French MNO
- **AEPM** working on specification for European payment scheme
- **MIFARE4mobile** for transport services based on Mifare technology
- **One M2M** creating technical specifications for M2M services
- **The Natural Security Alliance** defining the next strong authentication specifications
- **Secure Identity Alliance** supporting the development of trusted digital identities for secure eServices





REPORT

OT has publically disclosed its environmental and social performance since 2007. We communicate progress towards our sustainability goals and our commitment to the Ten Principles in the annual OT Sustainability Report, inspired by the widely renowned gold standard for sustainability reporting - the Global Reporting Initiative (GRI) G4 Guidelines. This report will be published on OT's website and intranet site, as well as the Global Compact website which can be reached by clicking on the following link:



[Oberthur Technologies and the UN Global Compact](#)

The report describes actions taken during the twelve month period from January 2013 and focuses on the CSR activities of OT's manufacturing sites, service centres and sales offices under our direct control. Subcontractors and outsourced operations are excluded from the scope of this report. Company Information on Pages 6 and 7 applies to the time of publication, October 2014.

We have a duty to communicate with our stakeholders on how we conduct our business and we understand that they are impacted by the way we operate. OT considers its key stakeholder groups to be its employees, shareholders, customers, partners, suppliers, along with local communities and society. We are engaging with our stakeholders on the subject of CSR through a variety of means, and the frequency and efficiency of these communications continued to increase during 2013.

THIS REPORT HIGHLIGHTS OT'S FOCUS ON FIVE CORE CSR AREAS:



Using natural resources responsibly



Promoting ethical business practices



Providing a secure and healthy working environment



Sustaining valued relationships built on trust



Developing environmentally sensitive products and services for the dynamic mobility market

We welcome comments on this report.

sustainability@oberthur.com





SUSTAINABILITY @ OBERTHUR TECHNOLOGIES MEANS:

Environment

Developing processes, products and services to help sustain the long-term viability of the planet

People

Nurturing, encouraging and valuing the talents of our highly skilled, global workforce

Practices

Conducting all aspects of our business in an ethically sound manner

Relationships

Building honest and enduring relationships with our customers, suppliers and communities

Products

Providing innovative, forward thinking products and services for a fast growing world





ENVIRONMENT

ENVIRONMENTAL RESPONSIBILITY

Our Environmental Management Plan provides a formal framework for addressing the environmental risks associated with our day-to-day business, with the key objective of achieving environmental performance targets set out in our Global Environmental Policy, and in accordance with Principles 7, 8 and 9 of the UN Global Compact. These efforts support our strategy to continuously improve our products and processes and help to lower our environmental footprint.

In accordance with our commitment to the UN Global Compact we:

- Support a precautionary approach to environmental challenges
- Undertake initiatives to promote greater environmental responsibility
- Encourage the development and diffusion of environmentally friendly technologies

In 2013, all of OT's manufacturing sites maintained their ISO14001 Environmental Management certifications. Our company's environmental efforts focused on reducing the impacts from our sites; with energy, waste and recycling all identified as areas for ongoing improvement.

Compliant with French legislation, OT continues to measure and report its greenhouse gas emissions, annually updating its data beyond the obligations of the 3-year reporting cycle.

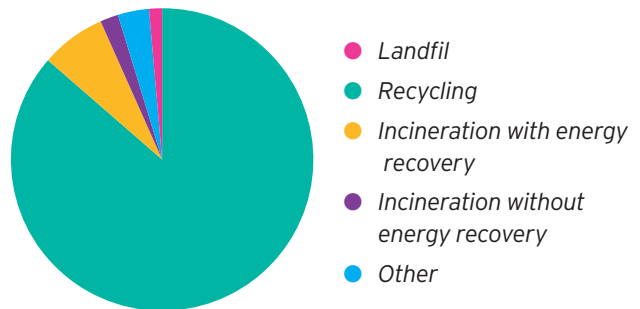
Following the commitment we made in our 2012 Sustainability Report, in 2013 OT developed a Car Policy, including environmental criteria. Under the terms of this policy car emissions must be below 140g CO₂, with a target for 2015 being set at 130g CO₂.

During the year we also continued to work closely with our industry colleagues on a series of environmental and wider sustainability projects, with the aim of improving performance across the sector and establishing a consistent industry-wide approach to the CSR challenges we face.

8% global energy consumption decrease at a constant production volume vs. 2012

Recycling accounts for 90% of waste treatment distribution across our sites

2013 Treatment Method



In 2014, we will continue to closely monitor waste, energy consumption and Volatile Organic Compounds (VOCs) emissions in order to improve our waste management, and achieve our goal of zero waste to landfill.

Alongside this we will define a roadmap for the adoption of ISO50001 certification at our manufacturing sites. We will also review the content and implementation of our Global Environmental Policy to ensure that it remains consistent with our corporate responsibility objectives.

ENERGY MANAGEMENT

OT's successful pilot project for ISO50001 Energy Management System certification, launched in 2012, is helping us both to save money and play our part in addressing climate change.

A year into this certification we are utilizing the data we have gathered to improve our energy usage, and we are gaining a clearer understanding of the potential financial and conservational benefits of initiating the system at other manufacturing sites.





ENVIRONMENT

ENVIRONMENTAL TRAINING

We acknowledge that achieving our environmental goals and continually improving our performance is a collective task between the company and its workforce. That's why at our sites we incorporate environmental training into the newcomer induction programme, alongside other vital matters such as Health and Safety and Security. Our employee handbooks are designed to provide new starters with the information necessary to launch their OT career with a solid understanding of not only our policies and procedures but also our ethical standpoint on the environment and corporate responsibility as a whole.

55% of our global manufacturing workforce underwent environmental training in 2013

In 2014 we will produce tailored training material for our manufacturing sites in line with our objective for all manufacturing production staff to undertake environmental refresher training.

SPOTLIGHT

GREEN PREMISES

When seeking new sales office premises in Brazil one of OT's key criteria was the environmental performance criteria of the site.

OT's chosen facility in Sao Paulo, Brazil is a U.S. Green Building Council Leadership in Energy and Environmental Design (LEED®) Core & Shell 2.0 Gold certified building.

The LEED® for Core & Shell building rating system is a set of performance criteria for certifying the sustainable design and construction of buildings, developed to provide a national standard for the definition of a "green building".

Within the LEED® certification OT must respond to mandatory sustainability considerations for the design and layout of its premises.



Sharing the eco-credentials of its Brazilian colleagues, OT's headquarter premises in Colombes, France is located in a BBC (Bâtiment de Basse Consommation énergétique), low energy building.





PEOPLE

ACKNOWLEDGING EXPERTISE

The Technical Ladder is OT's worldwide initiative that has been implemented to recognize the technological expertise across our activities. Any technical expert employed by OT can enter into the Technical Ladder.

Each year the nominations - new entry and upgrade - are decided by the company's R&D Committee which includes the Heads of R&D and the CTO.

In 2013 the Technical ladder recognized:

- 42 Senior Engineers
- 18 Technical Experts
- 1 Senior Technical Expert
- 2 Distinguished Experts



Senior Engineer



Technical Expert



Senior Technical Expert



Distinguished Expert



Fellow

REWARDING INNOVATION

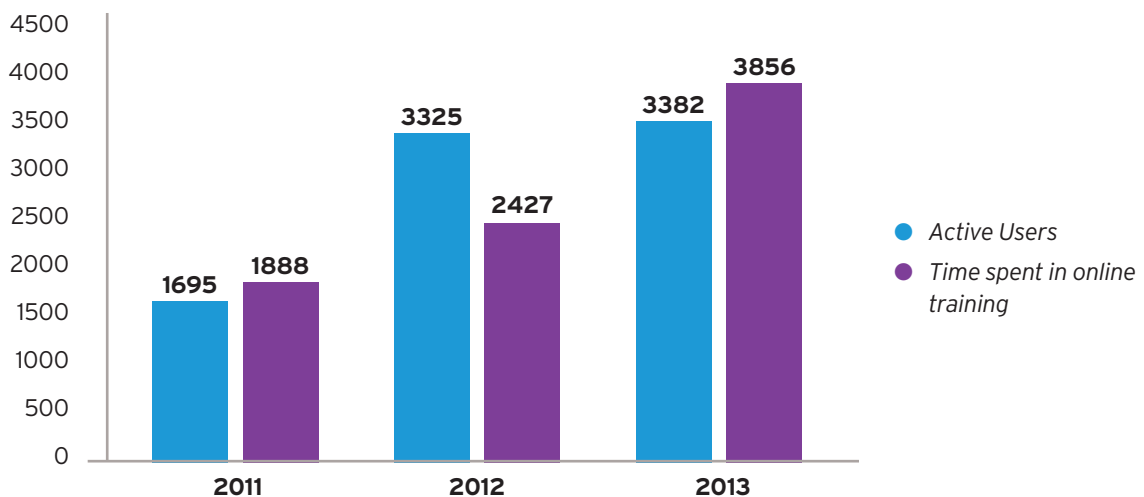
In October 2013 OT held its annual IP Awards Ceremony in order to reward the 2012 patents. As usual, 5 IP Award categories were distinguished: Gold, Silver, Bronze, Synergy and Best First Time. The Selection Criteria were the inventiveness of the patent, the potential impact on OT business and the potential IP value.

Fourteen colleagues received an award at the 2013 ceremony for the highly innovative, successful patents which support the growth of our company.

TRAINING AND DEVELOPMENT

Onboarding@Oberthur, through the Oberthur Learning Academy (OLA) is our training portal designed for newcomers joining the company but open to all staff wishing to refresh their knowledge. During the course of 2013 OLA's training catalogue was extended and monitoring of knowledge acquisition was improved.

Complementary to our online training program, targeted face-to-face newcomer training sessions take place at OT's headquarters in France, specifically tailored to meet the training needs of our payment, telecoms and solutions business units. In 2013, 55 employees benefited from these intensive, 3-day sessions.





PEOPLE

In December 2012, OPTaMIS became available to all employees. OPTaMIS is an online system designed to support our Key Talent Program for all our employees. It provides quick and easy access worldwide to our employee directory and organization charts, helping our people to build relationships, understand each other and work efficiently together regardless of geographical differences.

- **2462 employees attended at least one training webinar in 2013**
- **Average participation in training sessions rose to 46 employees in 2013 vs. 31 in 2012**

ENGAGING WITH EMPLOYEES

In November 2013, OT launched its new brand. Employee consultation played a vital part in the form of a survey of opinions and comments on our brand, answered by nearly 900 of our people. Among the major trends to emerge was an enthusiastic endorsement of the values of seriousness, trust, commitment, performance and creativity, alongside our strengths in proximity and commitment to customers, our technological expertise and the variety of our products and offers.



OT also conducted its annual OLA satisfaction survey, giving employees the chance to influence both the content and functionality of their dedicated training portal. Here's what users had to say about OLA:

Availability:

OLA allows users to undertake training at their convenience

Global:

OLA demonstrates that OT focuses on global learning for all employees

User friendly:

OLA is an integration of all learning topics in one place with a user friendly interface

SPOTLIGHT

PROTECTING OUR BUSINESS TRAVELLERS

OT is intent on safeguarding the health and safety of its employees, both at its own premises and in the course of business travel. To this end we have contracted with the world's leading international security services company to provide us with security risk information for our international travelers. Prior to each trip all business travellers are sent a pre-travel advisory message containing important destination specific information such as:

- **24/7 emergency alarm centre contact numbers (operated by International SOS)**
- **A travel risk summary**
- **Crime**
- **Terrorism**
- **Customs information**

Travelers receive updated information during the course of their business trip and in the event of assistance being required they can directly access emergency logistical support, 24 hours a day. Support cases cover a variety of services including information, advice, evacuation, repatriation, medical arrangements and travel services.

In order to protect our travelers they are tracked via the International SOS service, providing, through restricted access, senior management with a live interface to exactly who is travelling and where.

This way we are taking every effort to ensure that our travelers remain safe, healthy and well informed whilst on company business.

2013 International SOS

- **Unique travelers 759**
- **International trips 4345**
- **Cases opened 5**





PRACTICES

RULES OF CONDUCT

Our reputation rests upon the principles of fair dealing and ethical conduct of our employees. We owe a duty of care to our stakeholders to act in a way that merits their continued trust and confidence, in compliance with all relevant legislation.

We take every step to ensure that employees are aware of their obligations in this regard, including, in 2013, training on the company's Code of Conduct.

Our Code of Conduct is updated annually to ensure it remains relevant to our business and consistent with legislative changes. Employees can access the Code of Conduct through the OT intranet site.

The Code of Conduct takes inspiration from the Ten Principles of the UN Global Compact, the ILO Guidelines, the Universal Declaration of Human Rights, the UN Convention against Crime, the OECD Guidelines for Multinational Enterprises and Social Accountability International.



1714 indirect employees completed online Code of Conduct training in 2013

ETHICS IN THE SUPPLY CHAIN

Business ethics are not just a matter for OT and its people, but also a key issue for our suppliers. Appointing suppliers that share our high standards of moral conduct is crucial to maintaining the trust our customers place in us and to protecting our reputation. CSR clauses are an embedded feature of our purchase agreements.



At point of contract suppliers agree to accept the principles laid out in OT's Supplier Code of Conduct, to comply with all relevant environmental, ethical and social laws, and acknowledge our recommendation to participate in the Ten Principles of the UN Global Compact.

OT's ongoing communications with its suppliers on matters of business ethics will include each year in a Supplier CSR Assessment exercise, launched this year for critical material suppliers. In 2014 this exercise will be extended to include equipment suppliers and subcontractors.

87.5% supplier response to supplier CSR assessment at end 2013





PRACTICES

QUALITY

In 2013, OT conducted a comprehensive assessment of its quality organization and processes. In order to continue to offer the best and most consistent level of quality to our worldwide customers and an asset to our brand, in 2014 OT has committed to reinforce its quality organization and to launch a revised Quality Policy and Quality Management Manual. Furthermore, OT will implement a common worldwide certification process over its 29 sites under the sole audit of AFNOR, one of the world's largest accredited third party certification bodies.

tailored to the diverse risk profiles across our worldwide facilities.

Five sites are certified OHSAS 18001 Occupational Health and Safety Management including, in 2013, the award at our manufacturing site in Brazil. In France we are compliant with our legal obligations to prevent psychological risk in the workplace, and have in place the required action plan and H&S indicators.

We recognise that achieving a healthy and safe working environment is a collective task between the company and its workforce. As such, in 2013 we established an H&S Employee Forum at our UK premises, encouraging staff to proactively discuss and promote matters that contribute to the health, safety and welfare of all employees, visitors and contractors operating at the site.

OT's Global Health and Safety Policy will be developed in 2014, anchoring our global H&S actions and supporting the shift towards an integrated management system (ISO9001, ISO14001 and OHSAS 18001) across our sites.

Within the scope of OT's Global Health and Safety Policy we will monitor and share H&S indicators at our manufacturing sites and service centres.

SPOTLIGHT

HEALTH AND SAFETY FOCUS

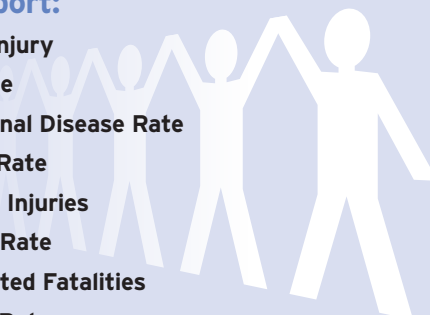
OT values its employees and has a genuine concern for the health, safety and well being of its global workforce, in accordance with the ILO Standards on Occupational Health and Safety and The European Framework Directive on Safety and Health at Work (Directive 89/391 EEC).

We are firmly committed to integrating practices relating to health and safety into our day to day business, in order to protect our people, our customers and partners, our local communities and the environment in which we operate.

With the full support of the Management Team, OT has pledged to monitor and continually improve its health and safety performance through compliance with all applicable legislation, the implementation and maintenance of management systems and the development of action plans

We will report:

- Types of Injury
- Injury Rate
- Occupational Disease Rate
- Lost Day Rate
- Lost Time Injuries
- Absentee Rate
- Work Related Fatalities
- All Injury Rate





RELATIONSHIPS

LISTENING TO STAKEHOLDERS

Engaging with customers is vital to maintaining positive and healthy valued customer relationships. In 2013, as in previous years, we sought feedback from our customers on their satisfaction with OT as a supplier, on our performance in terms of product and service offering, sales and delivery, and the perception of OT's positioning amongst its peers.

We conducted a mix of qualitative interviews and web surveys, targeted at our worldwide payment and telecoms customer base.

The customer survey exercise provides a valuable understanding of our performance from the customer's perspective, enables us to stand back and recognize our strengths and weaknesses, and to use the survey's findings to support continual improvement themes across our business.

We are grateful for our customers' ongoing support to this important annual exercise.

- **Payment customers ranked OT #1 supplier in the market for customer satisfaction**
- **Payment and telecoms customers recognized OT's high quality customer relationships**

Since 2007 we have been holding our annual Banking Forum, an event which brings us together with a cross section of our highly valued customers to discuss a range of themes of importance to the payment industry.

2013 was no exception, and this one day event held in Paris France was dedicated to the main players in the banking world such as banks, MNOs and services suppliers.

OT was delighted that 110 CEOs and top level executives from all over the world accepted our invitation to attend the event, with a total of 175 participants making for an enlightening debate and exchange of expert opinion on the key trends and innovative solutions within the industry.

SUPPORTING NEW TALENT

OT recognizes the true value of its highly skilled international workforce and acknowledges the importance of educating and training new generations in order for the industry to progress.

In this regard, OT provides opportunities for work experience students from local education establishments, intern placements for local university students and visiting overseas students, as well as graduate trainee programs to help young people into the workplace.

OT also lends professional support to a local manufacturing and engineering forum led by the local Member of Parliament, aimed at improving awareness of engineering in education, as well as providing graduate positions and work placement opportunities for young people keen to enter the industry.

ALIGNING WITH CUSTOMERS ON CSR

In 2013, our communications with customers on the development of corporate responsibility initiatives at OT continued.

We saw a growing number of customers integrating supplier CSR assessment into the tender process, and we strived to respond in a timely and comprehensive manner.

Of the total tenders managed by Headquarters Tender Desk

- **2012: 25% included a CSR element**
- **2013: 39.5% included a CSR element**

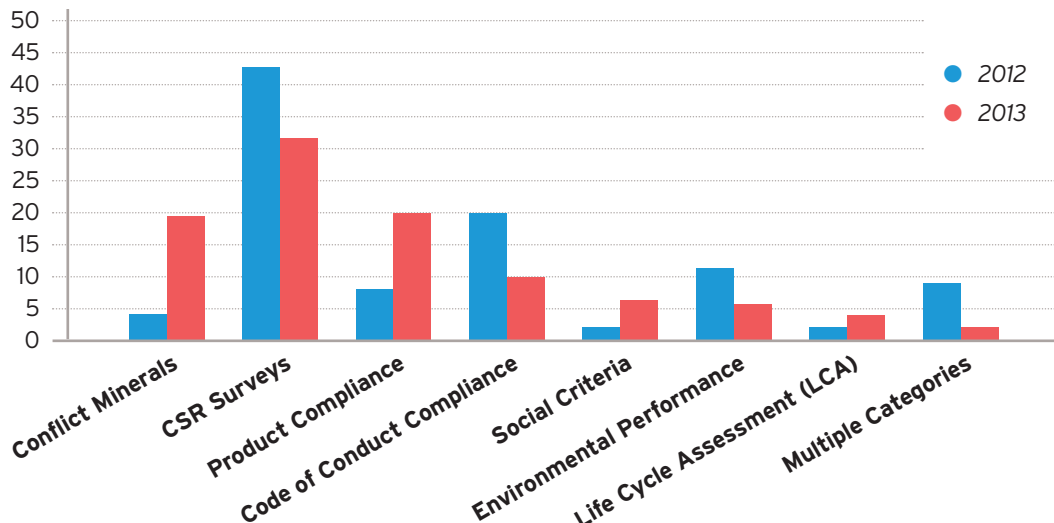
OT's Global Environment Team is responsible for managing sustainability enquiries across the business, providing support to multidisciplinary teams worldwide.

The total volume of CSR enquiries to this team was up 28% in 2013 from the previous year with the rising trend looking set to continue into 2014.



RELATIONSHIPS

Categories of Customer CSR Enquiries (% of total)



During 2013 we participated in numerous CSR surveys at the request of our customers.

We enhanced our subscription to the EcoVadis platform, designed to allow companies to monitor the sustainability performance of their supply chain.

Through this participation we can benchmark our CSR practices within our industry, identify our strengths and weaknesses and share our performance with our stakeholders.

At our next annual assessment we have committed to raising our EcoVadis rating by addressing our personal corrective action plan and taking account of recommendations to further enhance our performance in sustainable purchasing and fair business practices.

- **OT's overall EcoVadis score is in the top 10% of suppliers in the same business category**
- **For environmental performance OT ranks in the top 7%**
- **For labor practices OT ranks in the top 17%**

WORKING WITH INDUSTRY PARTNERS

OT is one of the 3 founding members of the Smart Payment Association (SPA), the non-profit trade body of the smart payment industry founded in 2004.

SPA addresses the challenges of the evolving payment ecosystem, offering leadership and expert guidance to help its members and their financial institution customers realize the opportunities of smart, secure and personalized payment systems and services both now and for the future.

OT has been an active contributor to the SPA organization itself and its various Working Groups, involving close to a dozen different OT employees from marketing or R&D, from Payment and Telecom business units. Several key white papers were released in 2013 which contributed to improve SPA's visibility and credibility on the market, thus enabling it to attract new members, which is one of the association's 2014 objectives.





RELATIONSHIPS

OT continues to remain active in Eurosmart, the Brussels based association aimed at making the voice of the Smart Security Industry heard. In 2013, a number of important EU regulatory initiatives were tackled such as the regulation proposal on electronic identification and trust services for electronic transactions in the internal market (eIDAS), the draft directive on payment services (PSD).

Our participation in influential associations such as Eurosmart provides a crucial platform to share our position matters affecting our business and enhances our visibility as a key player within the industry. In 2013 Eurosmart also contributed to an industry-wide standpoint on the Waste Electrical and Electronic Equipment (WEEE) Directive.

Caroline Morgan, Community Fundraising Manager for NSPCC said *"We cannot thank OT enough for choosing NSPCC as its charity of the year. With more than 90% of our annual income donated by the general public, it is only right to state that our work is made possible thanks to the incredible generosity of our inspirational supporters like yourselves"*.



OT UK also continued its ongoing support to a variety of local and national charities, including projects to help elderly and disabled people in the local community, support for young carers, local hospital and arts groups and a charity helping homeless people into work.

Additionally, employee-led fundraising continued to thrive at OT UK in 2013, with staff participation in a range of events for charities close to their hearts being supported by company matching contributions.

During the year sixteen charities were assisted through the fundraising efforts of more than fifty employees.

In both individual and group challenges OT and its people supported initiatives such as youth charities, children's hospitals, men's and women's health work, as well as organizations supporting people with serious health challenges such as neurological conditions and cancer.

SPOTLIGHT

A COMMITMENT TO FUNDRAISING

OT has championed numerous charities and local community projects for many years and is committed to continuing these relationships. Building on this strong foundation, in 2013 OT UK nominated its first charity of the year - the National Society for the Prevention of Cruelty to Children (NSPCC).

The fundraising activities have proven to be a good opportunity to bring OT's UK workforce together in support of an important and relevant cause. Staff joined forces on a series of charity events, including a football tournament, quizzes, cake sales and a photo competition for inclusion in a charity calendar.

To date, over £3,600 has been raised for the charity, with more activities planned in 2014.

Congratulations to all involved in the fundraising



Calendar competition entrants





PRODUCTS

ENVIRONMENTALLY CONCEIVED PRODUCTS

At OT we are dedicated to providing our customers with exceptional products and services that include wide ranging options for differentiation and environmental responsibility.

We are investing in the development of alternative, eco-friendly materials and form factors which has given rise to our Smart Eco range for mobile and payment accompanied by a series of well-designed, streamlined, recyclable and re-usable packaging solutions.

Out of respect for the environment OT has significantly reduced the number of printed brochures produced in order to save paper. Documents which must be printed are produced on FSC certified paper using aqueous inks to reduce environmental impact.

Product datasheets are available only in electronic format.

- **10 565 000 units of EcoSIM sold in 2013**
- **64 customers have validated MultiSIM since its launch in October 2013**

Providing innovative, forward thinking products and services for a fast moving world

- **Eco SIM** - less carbon footprint than the standard SIM card; with less energy used to produce an EcoSIM card, less energy used to distribute and less packaging material used
- **Green SIM** - halogen and chlorine free product designed to help protect our planet using Polyethylene Terephthalate (PET) card body material
- **Paper SIM** - eco-conceived card body made 100% from paper from managed sources (FSC certified) designed to protect the environment and meet global market expectations for a high-technology, sustainable alternative SIM card
- **MultiSIM** - the first SIM card combining classic SIM, micro-SIM and nano-SIM plug-ins, significantly reducing raw material consumption for multiple functions
- **Smart Eco for Payment** includes chlorine free card bodies from PETG material, bio-sourced Polyactic Acid (PLA) cards and recycled PET cards



PRODUCTS

SPOTLIGHT

UNDERSTANDING OUR IMPACT

OT considers the environmental impacts of its products all along their life cycle when conceiving, designing and developing innovative smart cards that take environmental performance into account. In this context, in 2012 OT launched a Life Cycle Assessment (LCA) project using the cradle-to-grave approach based on ISO14040 and ISO14044 methodology, aimed at assessing the environmental impacts of the product at each step of its life cycle, by considering the inventory of all inputs, emissions and waste at each step.

The environmental 'hot spots' that were identified have highlighted valuable information about the life cycle stages that have the greatest impact on the eco-system, providing key figures on the dominant environmental impacts associated with the creation and end of life of our products.

To support these actions, Oberthur Technologies implemented the LCA in an eco-simulator, a simple tool enabling OT to repeat the LCA, using alternative scenarios and inputs.

The LCA results from those preliminary assessments validate OT's initiatives undertaken through 3 key programs:

- **Creation, development and promotion of alternative materials**
- **Reduction of the environmental impact of transport**
- **Definition of eco-friendly packaging solutions**

In 2013, with the help of our eco-simulator LCA tool, we were able to better support our customers in choosing the right product to match their business needs, in accordance with their environmental positioning. We worked with a number of major payment customers to compare the life cycle impacts of PVC vs. PLA card bodies, as well as paper vs. PVC/ABS.

Furthermore, the eco-simulator tool helped us to inform our customer facing workforce across our sites on the environmental performance of our product range.

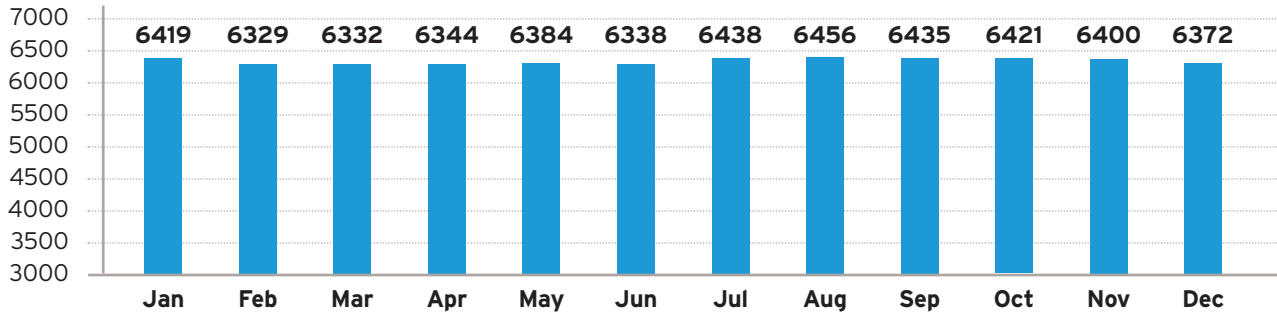
In 2014 we will extend awareness of our products' impacts to all staff via our intranet site and develop an LCA package to be shared with our customers.





COMPANY DATA

2013 Headcount Evolution by Month



2013 Headcount by Job Group

	Asia	NorAm	LatAm	Colombes/ Pessac	Rest of France	UK	Rest of Europe	RMEA Russia, Middle East, Africa	Shenzhen	Total
Engineering	421	83	50	340	107	60	125	36	59	1281
Management	1	3		16						20
Operations	298	462	514	15	527	359	453	131	596	3355
Sales & Marketing	103	72	61	113	28	54	177	60	16	684
Support	99	123	114	211	85	75	130	52	143	1032
Total général	922	743	739	695	747	548	885	279	814	6372
<i>vs Dec 2012</i>	<i>941</i>	<i>670</i>	<i>795</i>	<i>639</i>	<i>862</i>	<i>585</i>	<i>938</i>	<i>133</i>	<i>808</i>	<i>6371</i>

	Asia	Europe	LatAm	NorAm	RMEA
New comers	697	159	100	159	50
Leavers	656	95	140	95	29
TurnOver rate	41.00%	18.80%	15.40%	18.80%	16.10%
Attrition rate	38.30%	12.80%	18.90%	12.80%	10.90%

	2013	2012
Average Age*	35.2	34.4
Average Years of Service*	6.6	6.5

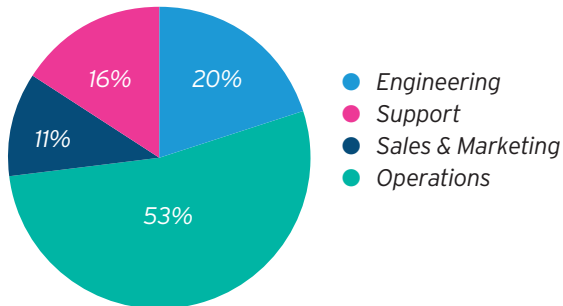
*Only Permanent employees



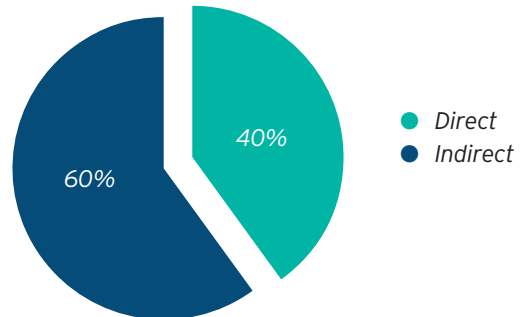


COMPANY DATA

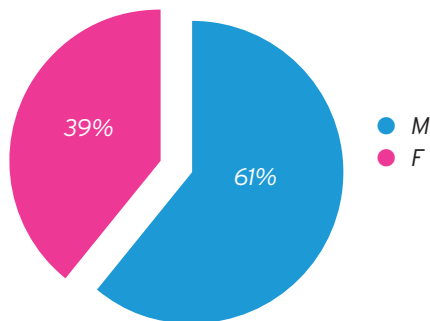
2013 Headcount Repartition by Job Groups



2013 HR Repartition Direct / Indirect



2013 Gender repartition



*Only permanent employees

Please note that the following countries are not allowed to communicate employees gender and birth date: Canada, Denmark, Spain, UK and USA

2013 HIRES

Region	Total	Gender	Total	Age group	Total
Asia	226	F	39.63%	-20 years	8.29%
Colombes/Pessac	124	M	60.37%	20-29 years	65.00%
LatAm	100	<hr/>		30-39 years	17.44%
NorAm	159	Total general	100.00%	40-49 years	7.32%
Rest of Europe	63	<hr/>		50-59 years	1.83%
Rest of France	11	Direct/Indirect	Total	60+	0.12%
RMEA	50	Direct	43.57%	<hr/>	
Shenzhen	471	Indirect	56.43%	Total general	100.00%
UK	34	<hr/>		<hr/>	
Total general	1,238	Total general	100.00%	<hr/>	





GRI CONTENTS INDEX

The GRI Sustainability Reporting Guidelines were used as a reference in the development of this report. The index below identifies the General Standard Disclosures that were applied.

GRI Guidelines	Description	page
General Standard Disclosures – Strategy and Analysis		
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Organizational Profile		
G4-3	Organization name	6
G4-4	Bands, products, services	
G4-5	Headquarters	
G4-6	Operations	
G4-8	Markets served	
G4-9	Organization scale (employees, revenue, products)	
G4-10	Employees by: Contract, region, gender, age, retention rates	24, 25
G4-12	Supply chain	17
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G4-16	Industry association memberships	10
Stakeholder Engagement		
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G4-26	Stakeholder engagement actions	17
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GA-31	Contact point for questions on the report	11
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Ethics and Integrity		
G4-56	Values, principles, standards of behaviour such as a code of conduct	17





WE PLEDGE TO SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES, TO UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY AND TO ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES



Oberthur Technologies respects the environment.
The number of printed brochures produced by the company has been significantly reduced to save paper.
Printed documents are produced on FSC-certified paper using aqueous inks to reduce environmental impact.
Datasheets are available in electronic format only.



Oberthur Technologies
is certified
ISO 9001: 2008