IDEMIA

CORPORATE SOCIAL RESPONSIBILITY REPORT

January – December 2017

IDEMIA

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IDEMIA

CEO'S WELCOME

In 2017, our company was born from the merger of two unique and complementary DNAs. We are now just ONE, THE leader in Augmented Identity for an increasingly digital world. We provide customized solutions in a world that evolves and advances faster than ever before. Today, information travels rapidly around the digitalized space, defying boundaries and breaking the traditional codes of security. However, our industry expertise, our knack for foresight and our keen ability to adapt have all brought us to the forefront of our industry, and continue to push us even further every day.

The coming together of the two companies has also enabled us to build a common approach and strong culture towards corporate social responsibility (CSR). An enduring commitment to understand and mitigate our corporate impacts and a proven focus on continuous improvement within our CSR journeys was shared by both entities. Arising from this, we have built a solid framework to place CSR at the heart of what we do and to guide our CSR strategic actions both now and in the years to come. As the industry leader, we are in a position of responsibility, for the secure, connected technologies we provide and the consumers that use them, for our customers, employees, indeed for all our stakeholders' interests. Our firm commitment to a CSR approach ensures that we drive our progress into the future with due consideration of the environmental, social and ethical concerns applicable to our business.

I am pleased to share with you in this report IDEMIA's corporate social responsibility efforts and achievements in 2017. The report serves as our annual Communication on Progress to the Ten Principles of the United Nations Global Compact.

YANN DELABRIÈRE
CHIEF EXECUTIVE OFFICER

Augmented Identity is security that we benefit from every minute of every day, in a frictionless, unimpeded way. It is security that protects us and allows us to enjoy life to the full and with even greater peace of mind.

1. IDEMIA, NEW LEADER IN AUGMENTED IDENTITY

IDEMIA is the result of the coming together of two great companies: Oberthur Technologies and Safran Identity & Security, which joined forces in May 2017 to form the new leader in Augmented Identity for an increasingly digital world.

IDEMIA places the client, consumer or citizen at the heart of everything it does, combining security, convenience, the human factor and continuity within a single proposition. This capability for integration is what we call the «magic combination». In a world that has become both physical and digital, IDEMIA conceives security in a global way, upstream of technological developments, by factoring in the customer's environment and the specific ways in which they use technology. In a world of ever-increasing exchanges, security primarily means protecting identities. This is why IDEMIA places Augmented Identity at the heart of its actions.

Key figures

- 13,441 employees @ end 2017
- 80 nationalities
- €2.4 Billion in revenues
- USD 200M+ in R&D in 2017 & over 1,500 active patent families
- Large scale card production
- 30+ subscription manager solutions delivered worldwide
- 3B+ identity documents issued worldwide
- 1.2B SIM cards shipped in 2017
- 850M+ payment cards produced in 2017
- 250M+ embedded secure elements deployed worldwide

Well positioned in our markets

- #1 in police biometric systems
- Trusted by 1,800 financial institutions
- #1 in civil identity solutions
- Trusted by 500+ mobile operators
- Trusted by major industrial OEMs
- #1 in US driver's license issuance

Serving clients in 180 countries
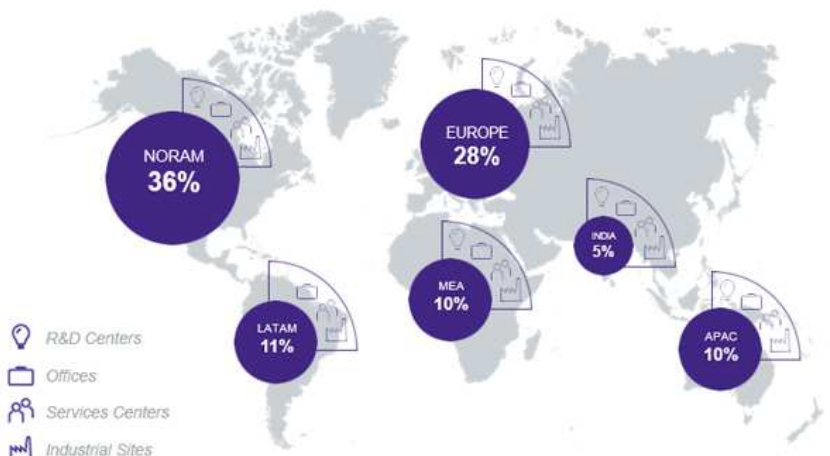
1.1 Organization

IDEMIA comprises five major customer segments, in line with the market sectors where IDEMIA is present. This enables to focus on each business segment offering a deeper understanding of customer needs:

1. Financial Institutions
2. Mobile Operators
3. Connected Objects
4. Public Security & Identity
5. Identity & Security, North America
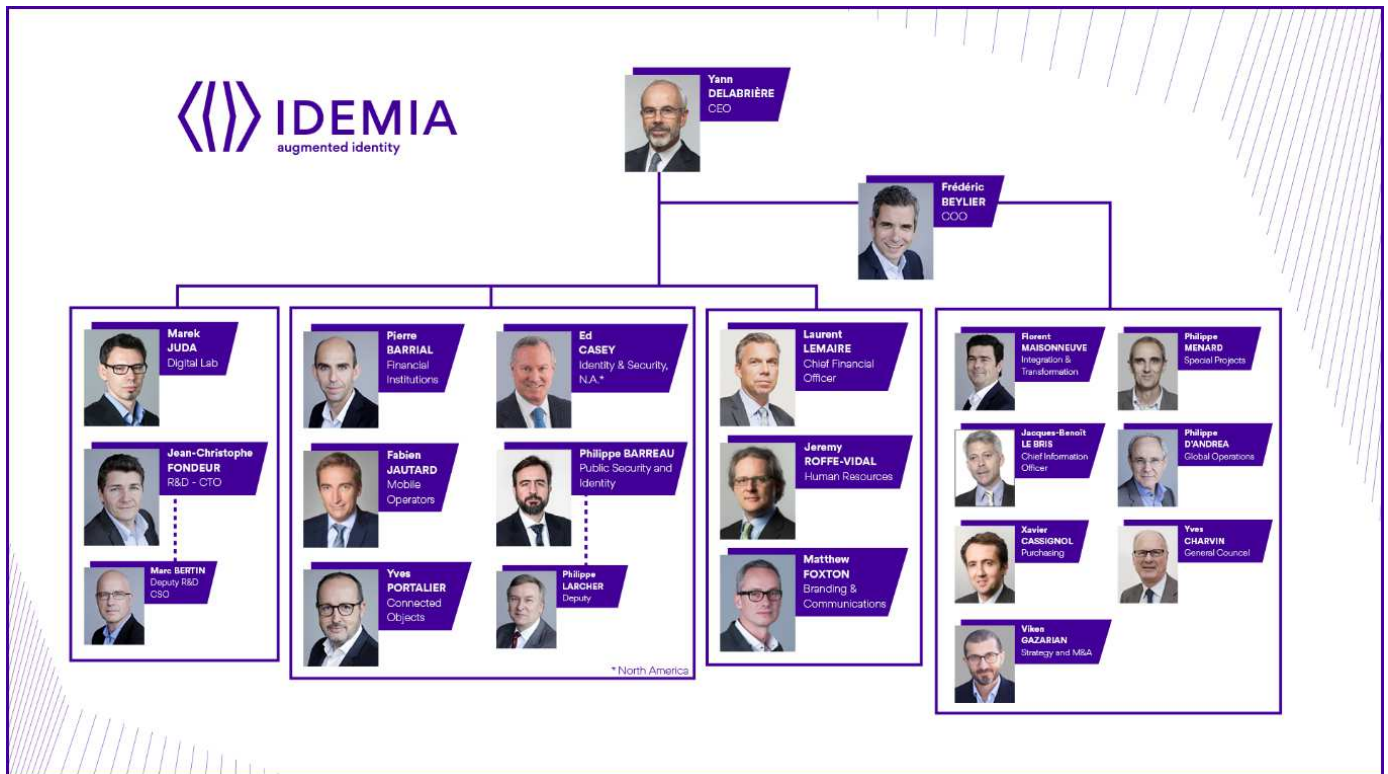
1.2 Our Values

We are IDEMIA and this is what we stand for

2. CORPORATE SOCIAL RESPONSIBILITY

2.1 More than ten years commitment towards CSR

In 2006, both Oberthur Technologies and Safran Identity & Security became signatories to the Ten Principles of the United Nations Global Compact – the world's largest corporate citizenship and sustainability initiative. The voluntary decision to sign up to these principles, which are inspired by the Universal Declaration of Human Rights and embrace the values of respect for labor law, protection of the environment and combating corruption, illustrates IDEMIA's desire to commit to sustainable development, both within our organization and throughout our sphere of influence, and steers our approach year after year.

2.2 CSR governance

An Executive Management CSR Core Committee defines the CSR Roadmap and priorities. The CSR policy is coordinated by the central IDEMIA CSR Team, within the company's Quality, Security, and Corporate Responsibility function. The CSR Team is responsible for the harmonization and standardization of policies and objectives, including their effective adoption at IDEMIA sites worldwide. CSR implementation, in all

countries where we operate (128 sites in 48 countries), is supported by a network of local CSR, HSE, HR, Legal Correspondents and Trade Compliance Officers.

2.3 CSR Core Committee

At Executive Committee level, the main functions meet every quarter to drive CSR priorities and policies. This CSR Core Committee is chaired by IDEMIA's Branding and Communications Executive VP and gathers together top executives from across the business, including: Communications, Procurement, Quality, Legal, General Management and Global Operations. Experts from within the business collaborate on specific CSR agenda items.

IDEMIA acknowledges the best practice, which demonstrates that CSR commitments are more effective when taken by the company's top management.

2.4 CSR direction

The IDEMIA Ethics Charter is one of the key elements of CSR and all employees joining the company must sign their acceptance of the Charter's terms. The Ethics Charter informs and guides employees as to our business culture and our fundamental expectations of them in all aspects of their working lives. IDEMIA has also established a CSR scorecard made of various indicators from all CSR pillars: global, environment, social, health and safety, and supply chain.

A subset of these key performance indicators form part of the Generic Business Score Card shared by all managers:

- Percentage of employees declaring SATISFIED or VERY SATISFIED in internal surveys
- Number of employees completing the online CSR awareness module
- CSR performance assessment score by EcoVadis
- Occupational Injury Frequency Rate (Lost Time Injury)
- Number of people having signed the Ethics Charter
- Percentage of landfill waste (with a zero landfill target)
- Number of internal audits controlling CSR issues

2.5 CSR priorities – materiality matrix

In 2016, IDEMIA conducted internal and external polls to define a materiality matrix. The goal was to establish with input from our main stakeholders (employees, suppliers, partners, customers) a map of the most important CSR topics, by answering the question "What are your expectations when doing business or partnering with IDEMIA?"

According to this poll, the highest priorities appear in the upper right part of the table below. IDEMIA is working on a list of CSR priorities starting from the priorities appearing in this matrix: anti-corruption, protection of personal data and privacy, green-IT, well-being at work, export control, human rights, sustainable innovation, transparency and dialogue with stakeholders, quality of products and services, customer relations.
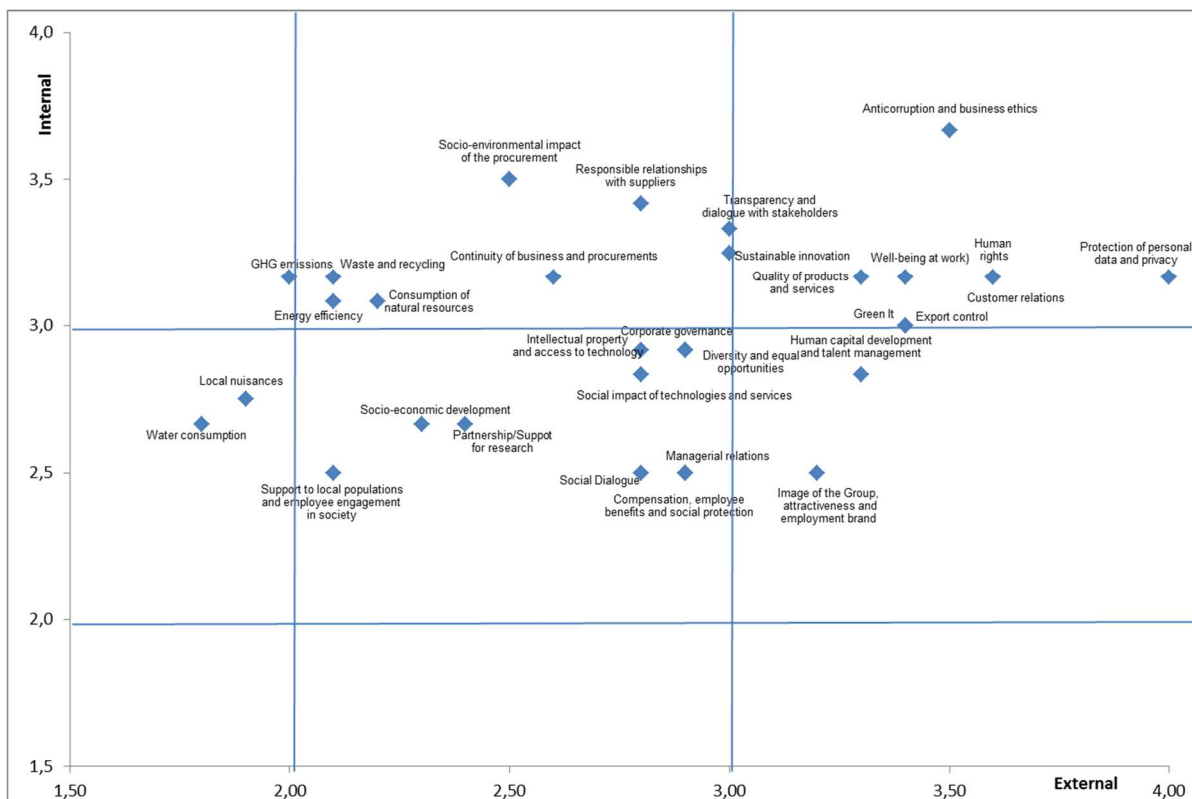
2.6 Global policies

We have developed a suite of global policies, designed to support our efforts towards a joined up approach to the management of CSR across our business, irrespective of geographical location, size or nature of operations.

- **H&S Policy:** a commitment to safeguard the health and safety of IDEMIA employees at their place of work and during business travel.
- **Environmental Policy:** a means to respect the environment and reduce any environmental impact of IDEMIA's activities.
- **Ethics Charter:** the principles of conduct with which everyone at IDEMIA must abide.
- **Supplier Code of Conduct:** a set of fundamental expectations of our partners.
- **Whistleblowing Procedure:** a formalized mechanism for the reporting of misconduct, policy infringement, crime or failure to meet legislative obligations.
- **Social Policy:** a pledge to the protection of human rights and fair labor practices.
- **Conflict Minerals Policy:** IDEMIA's position statement on the ethical sourcing of minerals in its products.

2.7 EcoVadis assessment

Each year, IDEMIA participates in numerous CSR performance assessments, driven by customers' desire to understand and score the CSR practices within their supply chains. Furthermore, IDEMIA's global CSR performance is assessed at least annually by the international CSR platform, EcoVadis. IDEMIA has a twofold partnership with EcoVadis: on one hand, EcoVadis evaluates and scores our performance and shares it with our customers; on the other hand, EcoVadis scores our own suppliers performance and shares it with us.

In its latest assessment, IDEMIA was awarded a gold certification level by EcoVadis, and belongs to the top 8% performing businesses. Thanks to IDEMIA's constant improvement efforts in the CSR sphere, our EcoVadis performance has increased by 20 points in recent years (from Silver to Gold).

Comments on this report and about any aspect of CSR at IDEMIA may be directed to CSRTeam@idemia.com

IDEMIA'S CSR KEY PILLARS

- ETHICS

- SUPPLY CHAIN

- SOCIAL

- HEALTH & SAFETY

- ENVIRONMENT

3. ETHICS AND BUSINESS INTEGRITY

IDEMIA has a set of values and ethical standards that are embraced by all of its employees and stakeholders. Duty of care has been integrated into all of the Group's business processes and growth is carefully managed in accordance with the highest international standards of business ethics, integrity and professionalism. These values and ethical behavior are of critical importance to IDEMIA, in that they play a vital role in enabling it to earn and retain the trust of all of its stakeholders.

Anti-corruption and business ethics are part of IDEMIA's top CSR priorities. IDEMIA has deployed an organization, procedures and processes, and training, to ensure that our operations meet the highest ethical requirements.

3.1 Trade compliance

IDEMIA trade compliance procedure contains the rules that must be followed by every director, officer and employee of IDEMIA and each of its direct or indirect subsidiaries and controlled affiliates wishing to establish a relationship with a partner for any purpose. It is also applicable to 50-50 joint ventures and proposed to non-controlled business ventures. This procedure applies to any third party that is intended to assist IDEMIA in obtaining, retaining or conducting business (agent, broker, commercial firm, consultant or consultancy firm, expert, distributor, intermediaries, lobbyist, prime contractor, public relations agency, supplier, sales representative, representative, reseller, subcontractor or co-contractor, joint venture partner, acting on behalf of IDEMIA). Employees must strictly apply this procedure.

3.2 Anti-corruption

The anti-corruption program covers the entire set of requirements from international conventions: the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997):

- The European conventions on anti-corruption: The European Community Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union (1997), the Council of Europe Criminal Law Convention on Corruption, against the active and passive corruption of foreign officials (1999), the Council of Europe Civil Law Convention on Corruption (1999).
- The United Nations Convention against Transnational Organized Crime, signed in Palermo (Italy, 2000).
- The United Nations Convention against Corruption, referred to as the "Merida" Convention or "UNCAC" (2003).

The head (Chairman or CEO) of each IDEMIA company is responsible for implementing the anti-corruption program in his/her company by:

- Appointing the Company Trade Compliance Officer (TCO); and according to its organization, or entity Trade Compliance Officers (TCOs) and entity Trade Compliance Correspondents (TCCs).
- Ensuring that a trade compliance program, well suited to the company size, the countries where it operates, and its activities, and in line with the Group commitments, is duly implemented. (S)he encourages information exchange with the Group, especially when an infraction has been, or is about to be committed.
- Ensuring the internal and external promotion of the IDEMIA anticorruption policy.
- At the beginning of each year, signing a representation letter in which (s)he undertakes, before the Group CEO, to ensure that his/her Company and its subsidiaries abide by the laws on ethical business practices.

3.3 Ethics Charter and Professional Alerts Procedure

IDEMIA's Ethics Charter reflects senior management commitment to engage the Group in social responsibility including corruption prevention and detection process. The Ethics Charter, endorsed by IDEMIA's CEO, General Counsel and Chief Operations Officer, and after consultation with employee representatives, is integrated into each facility operating procedures manual (Règlement Intérieur in France). Commitments expressed in the Ethics Charter encompass compliance with laws and regulations in all countries where we operate, fight against bribery and anti-corruption, import and export control, respectful relationships to all stakeholders (customers, shareholders, employees, trade unions, media, suppliers, partners…), safety of the workplace, and environmental stewardship. The Ethics Charter is accessible to all in five key languages of IDEMIA: French, English, Spanish, Chinese and Portuguese.

It is the reference on how we should behave internally, toward partners and customers. In compliance with the law, we also have implemented an alert procedure that allows questions about ethical matters, or reports of misconduct to be sent. This procedure, accessible to all employees via the company intranet, is available in French, English, Spanish, Chinese and Portuguese. We also recommend that our suppliers implement their own whistleblowing procedure.

3.4 Import and export control

IDEMIA complies, without exception, with all applicable regulations governing dual-use export and import operations.

IDEMIA's export control expert reporting to the Legal Department:

- Ensures that compliance standards are applied across the company.
- Verifies the compliance of all business conducted by the companies within IDEMIA.
- Participates in due diligence during mergers and acquisitions.
- Verifies the compliance of all business conducted by companies subject to sanctions or embargoes.

In addition, IDEMIA complies with all applicable customs legislation by deploying a suitable, effective system to ensure compliance in all of its international business transactions.

3.5 Audit and risk management

To complete the above processes and procedures and mitigate risks, internal audits take place regularly according to a strict screening of our subsidiaries. A pool of internal auditors tour our entities overseas to achieve control missions. The audits calendar is established well in advance over 2 years. CSR elements are taken into account during the audit process and sites are expected to have measures in place to address the fundamental CSR expectations of the business with an established route for follow-up on any issues or non-conformances. A program of focused CSR audits for sites has been developed for launch in 2018, in order to drill down on key CSR issues such as working conditions, environmental practices and H&S.

3.6 Ethics Key Performance Indicators

IDEMIA has established a set of CSR KPIs related to our ethical practices. These include:

- Number of employees having signed the Ethics Charter.
- Number of employees trained on CSR fundamentals.
- Number of employees trained on CSR level 2.
- Number of internal audits addressing CSR.

EcoVadis scored IDEMIA in the TOP 5% of suppliers in our industry for Fair Business Practices performance

4 ENCOURAGING CSR IN THE SUPPLY CHAIN

Partners and subcontractors play a pivotal role in ensuring we make good on our commitments. In order to build a chain of confidence, we aim to engage with third parties that share our ethical, social and environmental values. We welcome opportunities to share best practice and learning with our more mature CSR partners, whilst encouraging a focus on responsible business in those who are less advanced. All third parties with whom we engage must demonstrate that they are prepared to meet our fundamental expectations for responsible corporate behavior.

We have defined the framework for a trustworthy supply chain in our Supplier Code of Conduct, which we require our suppliers to sign their adherence to. Key CSR principles are also set out in our general purchasing conditions.

An example of how we work with our supply chain to positively influence ethical behavior is our respect for and application of a conflict free sourcing process. In compliance with the OECD Guidelines on responsible sourcing, we control a full list of mineral sourcing partners, to ensure that our products and components originate from conflict-free smelters for gold, tungsten, tantalum, and tin (3TG). In 2017, we supported more than 20 customers with their conflict minerals reporting requirements, by the open sharing of information relating to minerals chain of custody.

We expect our suppliers to confirm that their products adhere to all applicable legislation, such as EU REACH, EU RoHS and the California Safe Drinking Water and Toxic Enforcement Act of 1986 (PROP65).

We regularly assess the ethical credentials of our suppliers through the third party CSR performance assessment agency, EcoVadis.

IDEMIA buyers consider CSR aspects when selecting suppliers and partners, and have formally incorporated CSR elements into our RFI template.

In 2017, we held our first annual Supplier Seminar in Exton, USA. Eighteen key suppliers attended the daylong event aimed at consolidating relationships, sharing information and seeking out opportunities to collaborate.

4.1 Assessing CSR performance of suppliers

Sustainable Supply Chain is among the key elements of IDEMIA's CSR policy and IDEMIA has committed to consider the social, environmental and ethical behaviour of its supply chain in its business activities.

To monitor the CSR performance of its suppliers and manage supply chain risk, IDEMIA has extended its partnership with EcoVadis, which offers a simple, easy to use service for suppliers to report and improve their CSR performance through an online platform. The assessment addresses 21 CSR Criteria across four categories:

- Environment (ENV)
- Fair Business Practices/Ethics (FBP)
- Supply Chain/Sustainable Procurement (SUP)
- Social/Labour & Human Rights (LAB)

To date, we have engaged with 74 of our key partners, for assessment via the Ecovadis platform.
Monitoring the CSR performance of the supply chain helps us to identify, address and avoid supply chain risk, achieve compliance with legislation affecting our business and find opportunities to collaborate with suppliers on CSR.

In a collaborative effort, IDEMIA's CSR and Purchasing Teams support suppliers throughout the EcoVadis assessment process, from first contact to post-assessment follow-up.

Supplier scores are categorized from High Opportunity to High Risk. A supplier's EcoVadis CSR Performance Score is integrated into the scorecard utilized during the annual Supplier Performance Evaluation. IDEMIA's process to follow up on low scoring suppliers includes an extensive self-assessment questionnaire and on-site audit.

Reports generated by this assessment help to identify strengths and weaknesses in supply chain CSR performance, both across the supply base and with individual companies:

IDEMIA suppliers: CSR engagement actions	% Compliant
Policies on anti-corruption and bribery	82%
Reporting on health and safety indicators	74%
Active whistleblowing procedure in place	60%
ISO14001 certified	57%
Audit or assessment of suppliers on CSR issues	54%
Formal sustainable procurement policy	40%

Weaknesses form the basis of a corrective action plan, which provides suppliers with opportunities to improve their performance over time and enables IDEMIA to monitor and address supply chain risks. Suppliers are invited to engage in a reassessment once corrective actions have been addressed. If, following reassessment, scoring has improved to an acceptable level suppliers will not be reassessed for another 12 months. However, if scoring still does not meet IDEMIA's expectations, be that the overall score or the subject score for a certain area of CSR performance, the next steps will be launched.

4.2 Supplier Code of Conduct

The Supplier Code of Conduct, complementary to the IDEMIA Ethics Charter, the ethical framework within which IDEMIA conducts its business, is shared with suppliers intending to partner with IDEMIA. The Code was developed with reference to prevailing international standards such as the ILO Codes of Practice, the Universal Declaration of Human Rights, Social Accountability International and the Responsible Business Alliance Code of Conduct. The IDEMIA purchasing department ensures that suppliers sign their acceptance of the expectations laid out within it prior to the commencement of contract negotiations. Data pertaining to supplier acceptance of the Supplier Code of Conduct are represented on IDEMIA's CSR scorecard.

Coordinating essential CSR principles are mirrored in our general purchasing conditions, whilst the Supply Chain Quality Team controls that our CSR principles are effectively applied through on-site audits.

4.3 Supply Chain KPIs

IDEMIA has established a set of KPIs related to our interactions with suppliers on matters of CSR. These include:

- Total number of suppliers CSR performance assessed.
- % new suppliers screened using CSR criteria.
- % top spend suppliers screened by EcoVadis.
- Number of suppliers identified as presenting a high actual or potential negative CSR impact.
- % of high risk suppliers with which corrective action plan implemented.
- % suppliers signing Supplier Code of Conduct.
- Number of buyers trained on CSR.

IDEMIA expects its suppliers to uphold fundamental conduct principles consistent with its own

5 IMPROVING PEOPLE POTENTIAL AND WELL-BEING AT WORK

Our social policy has three ambitions:

- Create ONE social identity across the whole IDEMIA group (which means achieve a unified social model that goes beyond cultures, borders, and missions).

- Improve employee "engagement" through efficient management, training and goal sharing.

- Grow skills and mobility through the creation of the IDEMIA Development Team, a system to plan for up to date resources, and the opening of IDEMIA Institute (the central training hub for IDEMIA).

5.1 Create ONE People Identity

Soon after the creation of IDEMIA, human resources created the "One People Identity" program to develop leadership, harmonize compensation and benefits policies and ensure integration from a culture perspective (IDEMIA serves customers in 180 countries, has operations in 48 countries, and employs people from over 80 nationalities). We are creating a number of group wide initiatives so that all employees can feel part of one and the same company.

In Paris, all teams are gathered in common headquarters in Paris La Défense. More than just offices, IDEMIA creates an "IDEMIA house" reflecting our corporate culture. IDEMIA house offers great installations to work, meet, host meetings with customers and partners, demonstrate our innovations (400 square meter showroom). The new headquarters also deliver services for work-life balance, and offer sport installations to enhance well-being at work.

IDEMIA>Talents

Communication and on line tools are key to achieve the unified ONE IDEMIA. Therefore we launched our new global HR information system called IDEMIA> Talents. This new single tool, available to all within IDEMIA, allows employees to:

- Consult colleagues' profiles, facilitating interactions within our Group.
- Have access to dynamic organization charts, enabling easier collaboration.
- Consult and apply to job posts, encouraging internal mobility within the company.
- Set individual objectives and manage performance, together with the managers.

On-boarding process

Another tool to create the ONE IDEMIA model is the on-boarding process. The on boarding should make our new colleagues feel welcome and ensure rapid understanding of role requirements. The following documents are provided to the new employees:

- Purple Rules (document containing major common HR values).
- Delegation of Authority.
- Ethics Charter.
- List of learning contents available (e.g. GDPR, etc.).

A mentor should be assigned to support the new joiner's integration, and make sure that training is achieved within the first month of arrival. There will be checkpoints with each new joiner at regular intervals during the first year and one around the time of the first anniversary.

5.2. Improve employee engagement

Annual polls measure employee engagement, reflecting the level of motivation of our employees based on management quality, trust in the service delivered to customers, understanding of the company vision and pride in being part of IDEMIA. The answers on key questions define the global "engagement" of employees. IDEMIA's 2017 Pulse Check obtained 66.5% respondents worldwide, with 73% level of engagement.

5.3. Grow skills and mobility

IDEMIA Development Team

IDEMIA Development Team has the mission to organize and plan people evolutions. Supported by an external consulting firm, this HR team helps employees and managers develop the right skills to grow from one mission to the next one, according to requirements and personal wishes.

In a fast moving high technology environment, employees are interested in the future missions offered in their environment, and how they can access them.

IDEMIA Institute

We have created the IDEMIA Institute to enable employees to learn, develop and share their skills through a single platform. The mission of the IDEMIA Institute is to develop its employees for its clients, without exception.

The IDEMIA Institute offers different categories of training to help employees, in their daily work, and develop their skills, for example:

• An overview of IDEMIA products and services, its mission and global values, as well as its history.
• Productivity tools for work efficiency.
• Leadership and management development.
• A more digital, more innovative way of thinking.
• A certification roadmap for certain business functions.

As the first brick of the IDEMIA Institute, we have launched an alliance with Udemy, one of the largest MOOCs (Massive Open Online Course) in the world. We believe that learning is everywhere. The IDEMIA Institute is committed to offering different forms of learning: plenary courses, computer training, online or in collaboration. Regions and/or business units will continue to organize learning activities according to their specific needs and will have resources to share their content with other regions and entities.

5.4. Labor key performance indicators

Our CSR scorecard indicators measure progress on main topics:

1. Number of employees answering IDEMIA internal "engagement" polls (Pulse Check).
2. Level of "engagement" of our employees (Pulse Check).
3. Number of hours of training (for men and women).
4. Number of managers (women and men).
5. % people with disabilities (in countries where the information is available).
6. Attrition rate.
7. Absenteeism rate.
8. Social dialogue (number of employees having a social convention and designated delegates).
9. Loyalty rate (number of employees with more than 5 years in the company).

IDEMA pledges to be a responsible employer in the following ways:

- Train a large number of employees to maintain a high level of expertise in fast evolving technology markets.
- Attract new talents.
- Motivate all employees whatever their role.
- Protect employees through HSE action plans, certifications, social bargaining.
- Develop tools for better communication and decision-making.

6 HEALTH AND SAFETY

IDEMIA is committed to safeguarding the health and safety of its employees at their place of work and in the course of business travel, and strives to create a strong culture of prevention, ensuring the clear definition and communication of H&S responsibilities.

Health and safety objectives are applicable to the whole company, whatever the activity, wherever the facility, whoever the employee, those on permanent and fixed term contracts, agency workers, temporary staff and contractors.

Employees in all facilities share a number of common H&S objectives:

- Preserve the H&S of women and men who contribute to IDEMIA's activities, significantly reducing the risks of occupational diseases and accidents.
- Introduce the evaluation of H&S impact in the product development objectives and specifications.
- Ensure continuous improvement of the H&S management system.
- Deploy and maintain ISO45001 (ex OHSAS 18001) certifications in our production sites.
- Communicate to stakeholders and regularly publish actions and results on H&S matters.
- Comply with all local H&S regulations.
- Educate and train employees to make them aware of H&S stakes and adherence to the company policy.

6.1 Key H&S performance indicators

- Number of injuries on the site.
- Number of lost days during the month.
- Number of minor accidents (accidents that do not translate into lost days).
- Number of occupational diseases.
- Number of injuries due to travel (home/work).

6.2 Business Travel

We recognize the need to protect our employees, both within their regular place of work and during the course of business travel. In 2017, IDEMIA worked with a leading international security services company, to provide security risk information, advice, real-time tracking and emergency support to IDEMIA's international travelers. Through restricted access, all travelers are tracked via the service, providing senior management with a live interface to exactly who is traveling and where. The service includes a pre-trip advisory bulletin, sent directly to the traveler, containing all pertinent information regarding the route of travel and the countries to be visited. Updates and advisories continue throughout the duration of the trip. Important information is communicated, such as:

- 24/7 emergency alarm center contact numbers.

- Travel risk summary.
- Crime.
- Terrorism.
- Local law.
- Travel by road.
- Cultural tips.
- Currency…

In the event of a serious incident, the traveler is advised on the appropriate course of action and should a critical event occur, travelers are supported to arrange removal from the risk, such as medical treatment or repatriation. In 2017, the service also included an assistance app with chat function, airline safety reporting, cell phone check in module to encourage employees traveling to 'check in', and access to a travel training hub. IDEMIA's Crisis Cell Policy, Security Travel Checklist and Guidelines provide support when there is a genuine business need to travel to high or extreme risk countries.

Risk Exposure: Country Medical Risk
(July 2017 - June 2018)

Risk Exposure: Country Security Risk
(July 2017 - June 2018)

International Trips

Low	Medium	High	Very High
5 150	1 252	948	98

International Trips

Insignificant	Low	Medium	High	Extreme
320	5 428	1 552	145	3
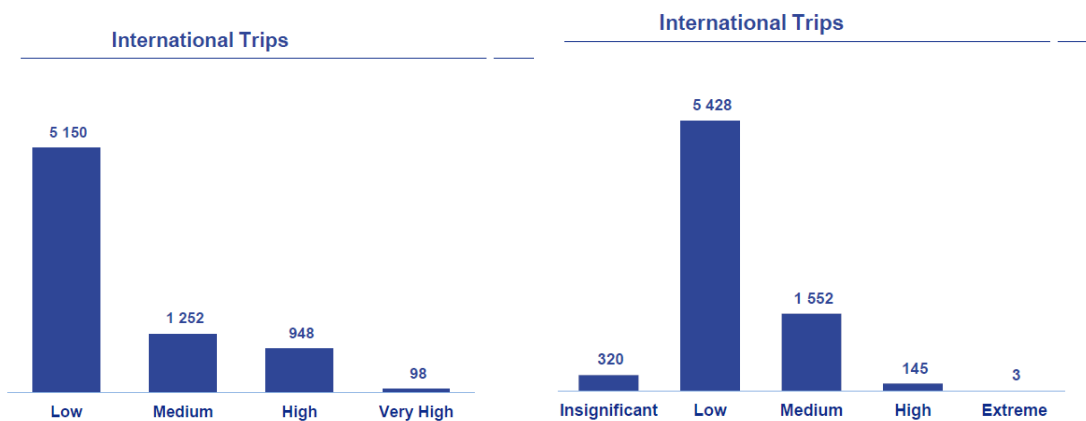
We place a spotlight on health and safety

7. ENVIRONMENTAL PROTECTION

Protection of the environment is integral to our Corporate Social Responsibility, the cornerstone of how we conduct our business. It is a shared responsibility to reduce energy sources dependency, and reduce consumption of energy, carbon footprint, greenhouse gas emissions, water and waste.

IDEMIA has establishments on all continents, with 128 sites: manufacturing plants, service centers, headquarters, sales offices, R&D Centers and datacenters. All these sites have different purposes, but serve the following common environmental objectives:

- Minimize the environmental impacts of processes and services by reducing or eliminating dangerous substances, reducing energy consumption, limiting emissions, managing waste recycling and disposal.

- Achieve our environmental goals through state-of-the-art, innovative, eco-friendly products and solutions by introducing the evaluation of environmental impact in the product development objectives and specifications.
- Help our customers achieve their environmental goals with our products offering and provide suitable advice.
- Encourage environmental responsibility within the supply chain.
- Ensure continuous improvement of the Environmental Management System.
- Deploy and maintain ISO 14001 certifications at our production sites (all manufacturing sites and the most important service centers, over 100 persons).
- Communicate to stakeholders and regularly publish actions and results on environmental matters.
- Educate and train employees to make them aware of environmental stakes and compliance with the company policy.

We measure progress (tracked through indicators) regarding our main environmental objectives: reduce energy consumption per person or unit produced, and reduce carbon footprint, improve energy mix, reduce water consumption per person, manage waste (paying specific attention to landfill), and reduce VOC (volatile organic compounds) because they can be dangerous.

7.1 Environment Key Performance Indicators

The central CSR Team and local sites control environment progress through a number of Key Performance Indicators:

- Energy consumption (electricity, gas, liquid gas) – per person and per produced unit.
- Energy equivalent in tons of CO_2.
- Part of renewable electricity.
- Cubic meters of water consumed (per employee).
- Volumes of waste (hazardous, non-hazardous, landfilled, recycled, incinerated).
- VOC quantities.

7.2 ISO 14001 Certifications

Our objective is to certify all manufacturing sites and large sites with more than 100 employees.
Currently holding certification at 18 key sites, ISO 14001 covers 46% of our total headcount. Out of 14 manufacturing sites, 12 are certified.

7.3 Global climate change and greenhouse gas emissions

Our environmental commitment includes action plans to fight global climate change, and control greenhouse gas (GHG) emissions: reduce energy dependency, encourage renewable energies, improve waste management and restrict landfill, develop eco-designed products.

The efforts to maintain low GHG and improve footprint are reflected by action plans decided on each site:

- In Brazil or India, water is recycled and re-used.
- In France, some entities develop solutions to facilitate employees' commute.
- In almost all countries, regular lights are replaced by LEDs activated by presence detection.
- In headquarters, network and secure printing are chosen to reduce paper consumption.
- For electrical and electronic equipment, WEEE (Waste Electrical and Electronic Equipment Directive) third parties have been engaged to collect and treat potential dangerous equipment.
- IDEMIA is a member of the Association des Fabricants et Personnalisateurs de Cartes with a special mission on sustainable development.

- Waste is managed in all factories with the support of recycling companies.
- In manufacturing, transportation solutions of material are constantly challenged for cost and energy reduction (this implies suppliers reorganization to optimize routes).
- Procurement teams select partners to optimize transportation and costs.

7.4 Carbon Disclosure Project (CDP)

Although our main activities are not part of high-energy consumption sectors, for many years IDEMIA has declared its carbon footprint to CDP. The declaration is done in two categories, investors and supply chain, the latter meeting the request of a number of large customers (mobile operators and banks in the USA, Brazil, Germany and UK) asking for the energy spent through the manufacturing of their products in our plants. In 2017, IDEMIA reached a C rating with good progress over time.

7.5 Product compliance

In 2017, IDEMIA continued to focus its attention on product compliance, striving to ensure that its products complied with the applicable legislation of all countries, in terms of the manufacturing, sale and distribution of goods. This included key EU directives, such as REACH (Registration Evaluation Authorization and Restriction of Chemicals) and updates to its list of associated substances of very high concern, RoHS (Reduction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment) and WEEE and its national transpositions. Working closely with suppliers and customers, we took action to meet our legislative obligations and to help our customers meet their own. We use a range of methods to ensure that our products do not contain restricted substances under all relevant legislation in excess of applicable legal limits, including obtaining certifications from our suppliers and third party laboratory testing of our products. Our Supplier Code of Conduct contains provisions aimed at ensuring that suppliers comply with all relevant laws, regulations and customer requirements prohibiting or restricting the use of restricted substance.

7.6 Alternative product options

In order to offset the carbon emissions linked to the production and transportation of cards, IDEMIA has collaborated with Pur Project, a Non-Governmental Organization saving trees in the primary forest in Amazonia, Latin America. We can calculate the amount of CO_2e to be offset based on the volume of cards the customer wishes to compensate. This service can include an annual summary, tailored to the customer's offsetting.

We have developed and industrialized different card body materials designed to reduce the environmental impact of our products and related processes. These include:

- Recycled PVC – Recycled polyvinyl chloride.
- PETg – polyethylene terephthalate glycol (chlorine-free material).
- PLA – polylactic acid (made from renewable source, often corn or similar plants).
- SIMfit – combining classic SIM, micro-SIM and nano-SIM plug-ins, significantly reducing raw material consumption for multiple functions.

We scored 70 by EcoVadis for environmental performance

8. CORPORATE CITIZENSHIP – SUPPORTING NEIGHBOURHOODS

Our corporate citizenship policy is to encourage IDEMIA subsidiaries to engage with their local communities to effect positive change. We have established partnerships with local and national charities, we support our employees' charitable activities, we work with local education providers to offer training and employment opportunities to the young generation, we promote environmental initiatives for the benefit of our neighbors with the intention of reducing local traffic and pollution, such as cycle to work and lift-sharing schemes.

In India, we collaborate with Akshaya Patra, a local association that fights against hunger, on a project involving the provision of mid-day meals to more than a thousand children studying in government and aided schools in the city of Bellary (India). This partnership goes under IDEMIA trade compliance procedure to prevent any risk of conflict of interests.

In the United States, we have developed specific actions toward the nation's Veterans, honoring them for their sacrifices and service to the country. The initiative started in 2015, and today the company is proud that over 10% of the workforce is comprised of U.S. Veterans, and continues to actively recruit and train Veterans for key roles in various business areas.

In Brazil, one of our local subsidiaries has launched a program to increase reading among employees. Another action includes a partnership with universities to favor improvements in education: the partnership includes reduction of monthly fees (up to 25%) to employees or to their children. Additionally, we have put in place an action to target pharmacies to reduce medical aid costs and facilitate payment conditions for employees.

In the UK, we have an established community outreach program, including charities chosen each year by members of our employee forum. We also select long-term partnership charities that benefit our local community and our annual awards are making a significant positive impact on the charity's ability to continue its services within our locality.

The socially responsible efforts of our employees are also encouraged by IDEMIA and supported through a company scheme to provide a contribution to any money raised by employees. In some areas, employees can nominate a donation to charity through a give-as-you-earn scheme.
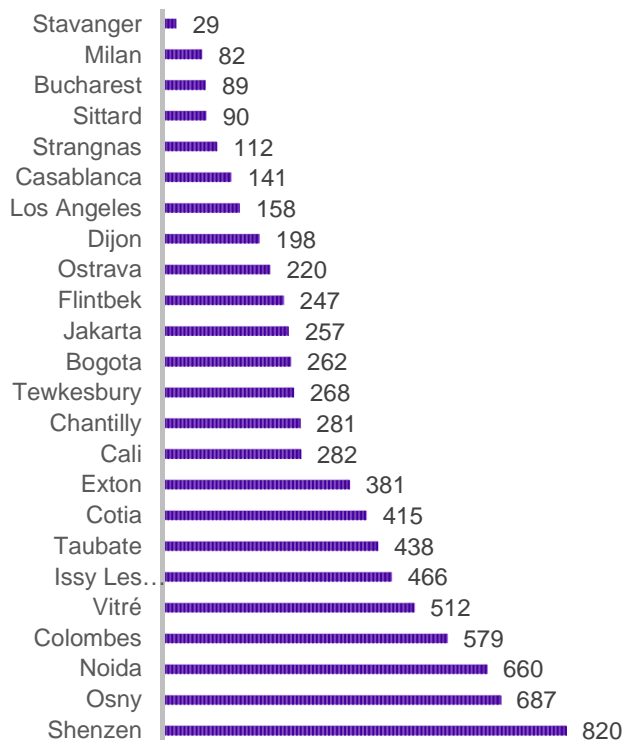
We strive to positively affect the communities in which we live and work
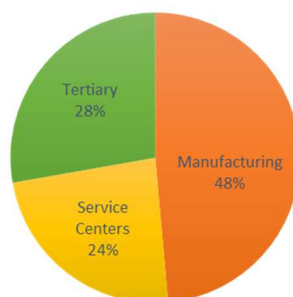
9. CSR PERFORMANCE INDICATORS

To measure progress, IDEMIA's CSR Team has set up a list of key performance indicators: general, social, ethical, health & safety and supply chain. An internal portal allows us to collect these indicators monthly or quarterly. The data collection is mandatory for larger sites and we are working on a program to progressively expand the number of sites from which data are collected. Currently, data collection covers about 60% of the total headcount.

We present here some indicators from our largest sites (7674 employees).

2017 HEADCOUNT

Site	Headcount
Stavanger	29
Milan	82
Bucharest	89
Sittard	90
Strangnas	112
Casablanca	141
Los Angeles	158
Dijon	198
Ostrava	220
Flintbek	247
Jakarta	257
Bogota	262
Tewkesbury	268
Chantilly	281
Cali	282
Exton	381
Cotia	415
Taubate	438
Issy Les…	466
Vitré	512
Colombes	579
Noida	660
Osny	687
Shenzen	820

Split of employees per type of sites

- Manufacturing 48%
- Tertiary 28%
- Service Centers 24%

Split of employees per country in manufacturing sites

Manufacturing

- Vitré 512
- Exton 381
- Cotia 415
- Taubate 438
- Shenzen 820
- Ymbo/Cali 282
- Ostrava 220
- Noida 660
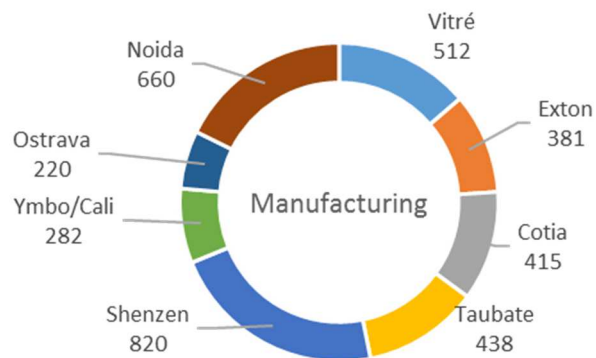
Split of employees per country in service centers

Service Centers

- Bogota 262
- Dijon 198
- Flintbek 247
- Milan 82
- Sittard 90
- Bucharest 89
- Stavanger 29
- Strangnas 112
- Tewkesbury 268
- Chantilly 281
- Los Angeles 158
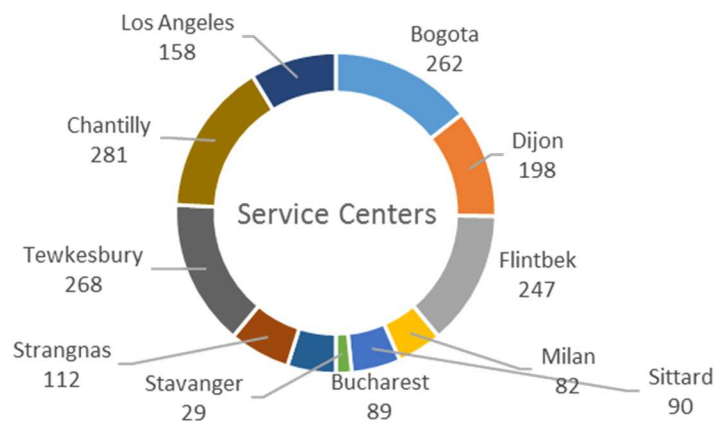
Split per country in tertiary sites (headquarters, R&D, datacenters …)

Other - tertiary

- Issy Les Moulineaux 466
- Osny 687
- Colombes 579
- Jakarta 257
- Casablanca 141
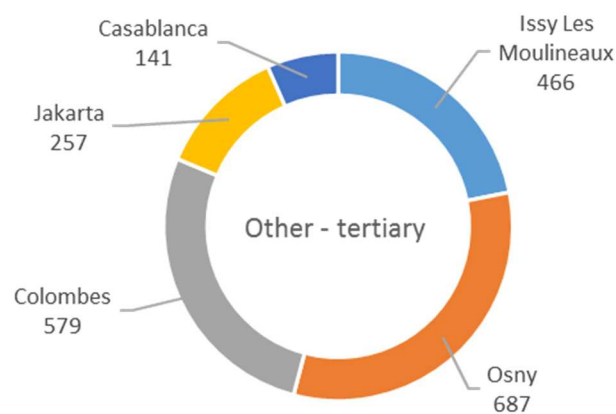
IDEMIA

Environmental data

Numerous IDEMIA sites are actively gathering environmental data, with our most impactful activities taking place at manufacturing sites.

Energy Consumption in KWH

Average per Unit in Wh
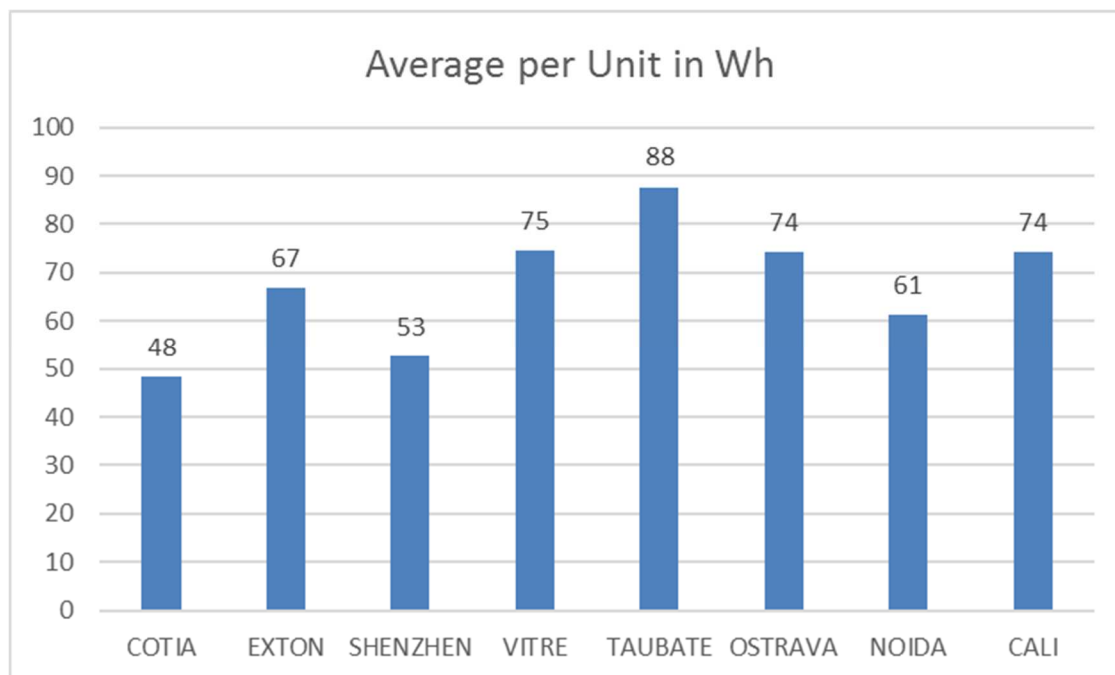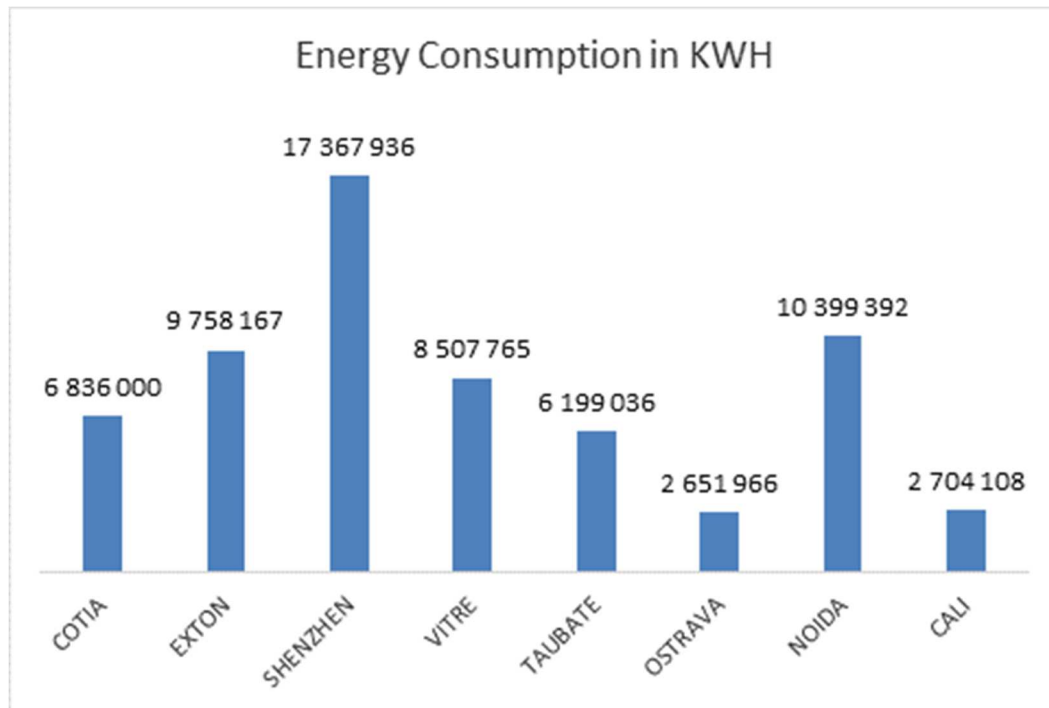
The graph below demonstrates that the unit footprint of one card can vary from 4 to 54 (g eq CO2) depending on the emission factor of the country where it is produced.

Scope 2 - CO2 equivalent in gr
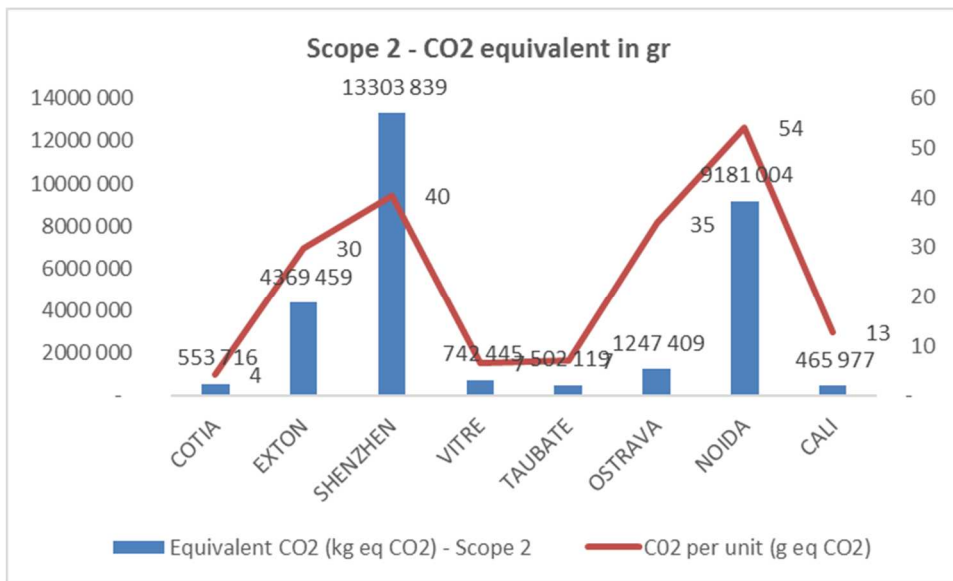
It is IDEMIA's long-term goal to reduce landfill to zero, and to increase recycling.

Waste Disposal Method (in tons)

Water consumption in m3

Location	Water	Water per person m3
COTIA	2 461	5
EXTON	3 486	9
SHENZHEN	4 040	5
VITRE	4 769	8
TAUBATE	4 440	9
OSTRAVA	2 017	9
NOIDA	3 164	5
CALI	3807	14
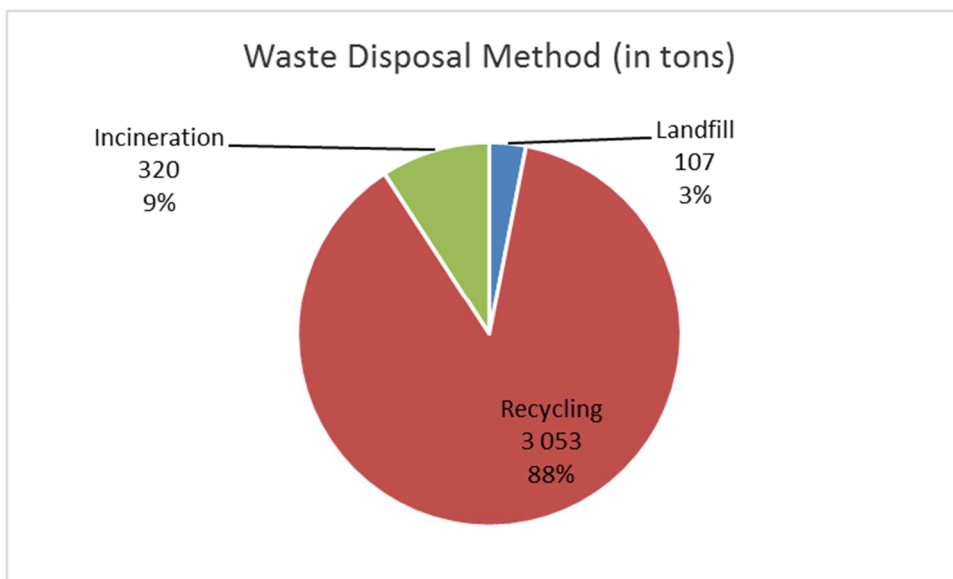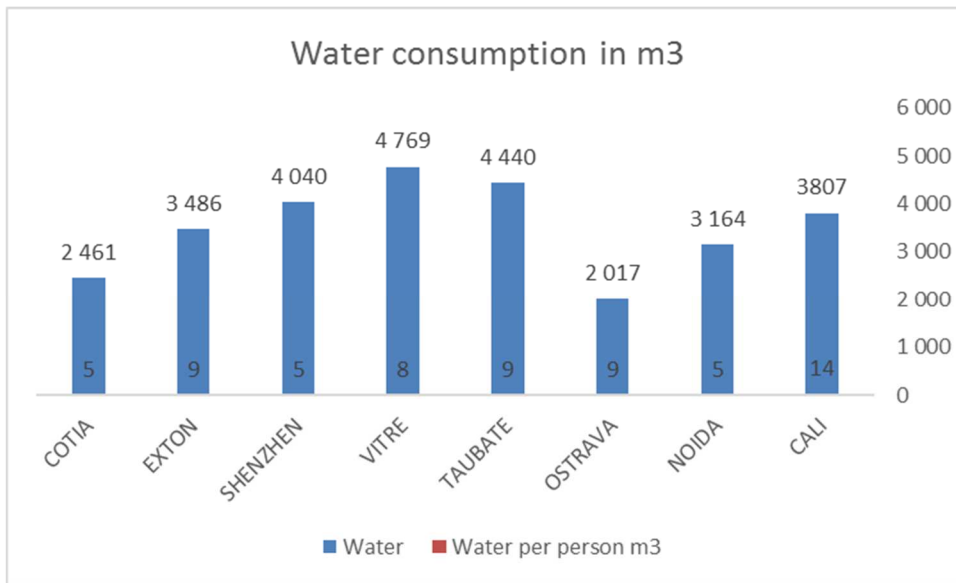
Our manufacturing in Cotia (Brazil) and Noida (India) have reported no accidents with more than one day lost.

Number of injuries (more than one day lost)

Location	Injuries
COTIA	0
EXTON	3
NOIDA IDEMIA I&S Fact	0
OSTRAVA	5
SHENZEN	4
TAUBATE	2
VITRE	11
YUMBO	1

Number of lost days

Location	Lost days
COTIA	0
EXTON	239
NOIDA IDEMIA I&S Fact	0
OSTRAVA	271
SHENZEN	21
TAUBATE	25
VITRE	490
YUMBO	12
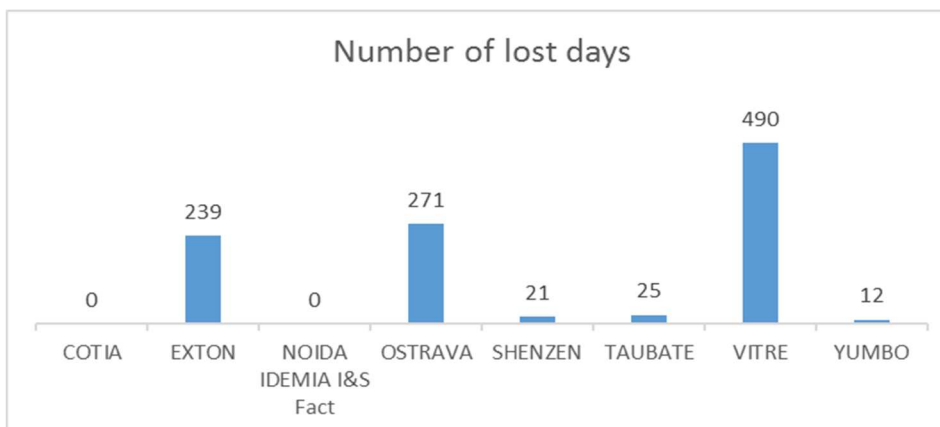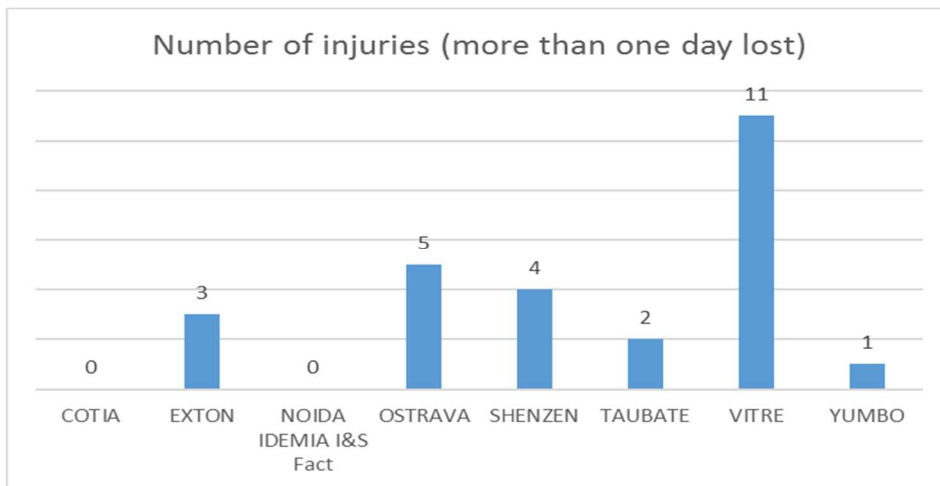
Among other indicators relative to labor, each half-year we follow the level of employee engagement.

Pulse check Answer

Total Headcount — Nb employees having answered Pulse Check

City	Total Headcount	Nb answered
Cotia	415	329
Taubate	438	320
Shenzen	820	759
Bogota	262	163
Yumbo/Cali	282	45
Ostrava	220	180
Dijon	198	142
Issy Les Moulineaux	466	316
Osny	687	504
Vitré	512	308
Colombes	579	399
Flintbek	247	181
Noida	660	272
Jakarta	257	242
Milan	82	64
Casablanca	141	82
Sittard	90	74
Stavanger	29	28
Bucharest	89	59
Strangnas	112	47
Tewkesbury	268	154
Chantilly	281	126
Exton	381	125
Los Angeles	158	61

NB: in Jakarta, because of data privacy protection, results cannot be shared because teams are comprised of less than six persons.

The engagement of employees depends upon answers to questions related to trust in management, or likelihood of recommending IDEMIA to others.

% engaged employees in Pulse

City	% engaged
Cotia	90%
Taubate	88%
Shenzen	62%
Bogota	77%
Yumbo/Cali	85%
Ostrava	73%
Dijon	61%
Issy Les Moulineaux	56%
Osny	58%
Vitré	59%
Colombes	62%
Flintbek	58%
Noida	80%
Jakarta	0%
Milan	82%
Casablanca	59%
Sittard	61%
Stavanger	75%
Bucharest	76%
Strangnas	77%
Tewkesbury	72%
Chantilly	79%
Exton	73%
Los Angeles	80%