

UN Global Compact

# PROGRESS REPORT 2015



**Giesecke & Devrient**  
Creating Confidence.

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# STATEMENT OF CONTINUED SUPPORT

We have participated in the UN Global Compact for five years now and are fully committed to its principles on human rights, labor standards, environmental protection, and fighting corruption. Doing business in a responsible and sustainable way remains central to our corporate philosophy. This reflects the recognition that our long-term success depends on our ability to reconcile the commercial, environmental, and social impact of our activities.



[gi-de-report.com/  
annual-report-2015](http://gi-de-report.com/annual-report-2015)

As last year with our fourth progress report, we are publishing the fifth progress report in conjunction with the G&D annual report. Bringing this information together reflects our belief that day-to-day business operations and responsible governance are inextricably linked. The progress report summarizes our activities and achievements in the areas covered by the UN Global Compact during the 2015 reporting period. We are continuing to work towards our goal of increasing the proportion of women in management positions. We are also committed to a motivating management culture and a staff development policy tailored to different life stages. We completed implementation of a certified environmental and occupational health and safety management system at all our major production sites in 2015. Our business partners are carefully selected and audited to ensure sustainability in the supply chain. We were forced to revise our goal for cutting CO<sub>2</sub> emissions, however, because our production volumes increased significantly compared to the reference year.

In publishing our fifth progress report, we are also renewing our commitment to the UN Global Compact for another year.

Dr. Walter Schlebusch  
Chairman of the Management Board



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

# ABOUT GIESECKE & DEVRIENT

Giesecke & Devrient (G&D) is a leading global technology provider with its headquarters in Munich, Germany, and 58 subsidiaries, joint ventures, and associated companies in 31 countries across every continent. At the end of 2015, G&D had approximately 11,400 employees, and in fiscal year 2015 generated total sales of about 2 billion euros. G&D was founded in 1852 by Hermann Giesecke and Alphonse Devrient as the “Officin für Geld- und Werthpapiere” in Leipzig, a city with a rich printing and publishing heritage. It is a family-owned company with roots in Germany and operations all over the world.

Its ethos is based on trust, security, and professional expertise. Innovative, customer-centric products, system solutions, and services make G&D a reliable partner for governments, central banks, security printers, commercial cash center operators, public authorities, and companies.

G&D is a global technology leader in banknote and security solutions for an efficient and secure cash cycle (Banknote business unit). It supplies banks, mobile network operators, public transportation providers, companies, and original equipment manufacturers (OEMs) with scalable security solutions comprising hardware, software, and services for mobile security applications, especially in telecommunications and electronic payments (Mobile Security business unit). G&D also provides governments and public authorities with turnkey end-to-end solutions for highly secure travel documents, ID systems, and healthcare cards, which can be used for conventional identification purposes as well as for authenticating and safeguarding online business transactions (Government Solutions business unit).

Research and development have always been a top priority for G&D. The Group currently has 1,200 developers working on new products and processes, and R&D spending totaled around 105 million euros in fiscal 2015. G&D holds some 7,200 patents and patent applications worldwide.

G&D is a global market leader and cutting-edge innovator of products and solutions for the banknote and mobile security segments. Over the course of its history, the technology group has successfully penetrated numerous new business fields.

# RESPONSIBILITY

Giesecke & Devrient has been participating in the UN Global Compact for over five years now and is fully committed to its principles on human rights, labor standards, environmental protection, and fighting corruption. We are very much aware that reconciling the commercial, environmental, and social impact of our activities is essential to safeguarding our business success in the long term. Our fifth progress report documents the measures we put in place to ensure responsible corporate governance during the 2015 reporting period.

The principles of the UN Global Compact and our commitment to responsible corporate governance together provide the framework for our corporate social responsibility (CSR) strategy. We focus on three key action areas here: a future-oriented HR policy, resource-efficient and safe site operation, and fair and safe business practices. These core areas emerged from an online survey of our stakeholders carried out in 2014.

  
[unglobalcompact.org](http://unglobalcompact.org)

Sustainability standards are also increasingly important to our customers and play a key role in their invitations to tender, contract award processes, and supplier evaluations. We demonstrate our environmental commitment both in our annual progress report and through our participation in the EcoVadis global initiative. EcoVadis operates the world's first online platform to provide supplier sustainability ratings for global supply chains. As a participant, this entails an extensive sustainability assessment of our corporate governance activities. In September 2015, we again received a Gold Standard rating after the annual evaluation of our activities relating to the environment, working conditions, human rights, fair business practices, and a sustainable supply chain.

  
[ecovadis.com](http://ecovadis.com)

## RESPONSIBILITY TO EMPLOYEES

Every day, our global workforce of over 11,000 delivers on our customer promise. G&D continued to grow internationally in 2015 and increased its staffing levels. At the same time, it was a very difficult year for employees at the company's headquarters in Munich. G&D was forced to make a number of drastic changes in order to remain competitive and bring the business back on track. Cost reduction measures including closure of the banknote printing facility, relocation of the service center, and adjustments to other operational and administrative units will result in a total of 630 job losses in Germany over fiscal 2015/2016. As a responsible employer, G&D has been working with the relevant co-determination bodies to minimize the impact on the individuals concerned and implement an employee assistance program. We have set up a transfer company, put options in place for part-time working prior to retirement, and arranged internal moves within the Group. As a result, there have been very few involuntary terminations.

Maintaining a skilled and motivated workforce around the globe remains essential to the future viability of our company and its commercial success. Accordingly, we continue to pursue our fundamental objective at G&D throughout the current change process: to create an environment that motivates our employees to achieve their best, facilitates their development, leverages their diversity, and promotes their health.

## Equipping the next generation


G&D is already engaging with the specialists of the future – for instance through initiatives such as Germany’s nationwide Girls’ Day, on which we give girls an insight into our range of technology-based career options. We train apprentices in eight different vocations and support students who are pursuing technical subjects. We have bachelor’s students working with us as part of dual study programs, while master’s students in three subject areas (Computer Science, Electrical and Information Technology, and IT Safety and Security) have also had the opportunity to undergo practical training at G&D since the spring of 2016.

 [girls-day.de/english](http://girls-day.de/english)

We use our global talent management program to systematically identify and develop employees who demonstrate the potential to take on more extensive projects and greater management responsibility. In addition to the centrally managed Top Talent program, there are also dedicated talent pools for the EMEA (Europe, the Middle East, and Africa), Asia-Pacific, and North/South America regions. The benefits of this system include the ability to train our own talented young employees and take account of cultural factors in career planning, especially in the international markets that are becoming increasingly important for G&D. Our talent management program has proved its worth: of the approximately 145 participants to date, half swiftly made significant advances in their careers within the company, with a quarter making it into our global management team.

## Diversity as a competitive advantage

In addition to providing excellent development and progression opportunities, we seek to acknowledge and support the diversity of our employees. Our three-pronged diversity management approach aims to create conditions in which our employees can perform to the very best of their ability – regardless of gender, age, or cultural origins. As a global company, we firmly believe that leveraging the diversity of our people and actively countering discrimination are essential to our long-term success in extremely fast-moving markets. G&D therefore regards a diverse workforce as a significant competitive advantage. We are a signatory of the German government’s Diversity Charter, which is designed to promote respect and combat prejudice in the corporate world, and have incorporated its principles into our training sessions, workshops, and day-to-day operations.

 [charta-der-vielfalt.de](http://charta-der-vielfalt.de)

## More women in management roles

G&D is committed to ensuring equal opportunities for women and enabling a better work-life balance as important aspects of recruiting and retaining skilled staff and managers. Maintaining a family-friendly corporate culture and management style is also crucial to the satisfaction and health of our employees. We provide a range of options here, from mobile working and telecommuting to in-house childcare facilities and assistance for employees with dependent relatives. We also offer flexible working time models and job sharing. Almost 10 percent of positions at our German locations are now part time. Thanks to this HR policy, we have successfully completed the “berufundfamilie” work-life balance audit on four occasions already, and this will be carried out again in 2016.

 [beruf-und-familie.de](http://beruf-und-familie.de)

Providing equal opportunities for women and appointing more women to managerial roles and other key positions are priorities at G&D in order to achieve greater diversity within the company. By mid-2017, our aim is to ensure that female executives make up 10 percent of the top tier of executives below Management Board level at Giesecke & Devrient GmbH. Our target for the second tier of management is 20 percent. By setting these goals, we are also complying with the statutory requirement in Germany to establish a female quota for senior management positions. Women already make up one third of our Supervisory Board. Worldwide, we aim to increase the proportion of women at executive and global management level to 15 percent.

We will seek to achieve these objectives by filling vacant posts with suitable female candidates and providing targeted professional support for women within the organization. Some 35 percent of the participants in our talent management program are already female. We take all aspects of management ability into consideration when selecting candidates and while recruiting staff in general. As a result, we were able to significantly increase the number of women nominated for the 2015/2016 talent program. The internal women’s network established within the company four years ago grew to around 150 members last year. G&D also shares insights with other companies on the genderdax platform; an initiative supported by the German government.

### Development for different life stages

In view of the challenges arising from demographic change, we have a particular responsibility to support our people in maintaining their health, motivation, and performance levels. Our response here takes the form of staff development tailored to different life stages, occupational health measures, the intergenerational transfer of expertise, management awareness training, a labor management agreement to facilitate reintegration after extended periods of sick leave, and an employer-funded retirement plan. In 2016, we will be launching projects to train staff with specialist knowledge, geared towards professionalizing the necessary transfer of expertise to a new generation of employees. A pilot project is also planned to implement strategic knowledge management in selected areas of the company where research and development play a central role.

Cultural diversity is also very important to G&D. We operate in 31 countries, with around 65 percent of our employees working outside Germany and 82 percent of our sales generated internationally. Our cultural diversity measures include selecting promising new talent on an international basis, intercultural training, and sharing knowledge and best practices between locations.

### Promoting consistent leadership

In times of major change, our managers face complex demands in their day-to-day work. We help them to develop their leadership potential, enabling them to give employees appropriate guidance and serve as role models. The leadership initiative we launched in 2014 aims to establish a management philosophy across the Group that promotes a sense of identity and builds on our specific strengths, as well as embedding a value-based leadership culture. Some 280 managers have already participated in the first module of this initiative, in the form of a dedicated two-day training course. A new series of related workshops, "Leading the Way to Success", will build on this during 2016. In 2015, employees were also able to take part in activities specifically designed to boost managerial skills in relation to change processes. They also have the opportunity to complete internal training as change process advisers.

### Satisfying standards

As a global company, we have also made a commitment to uphold fundamental labor standards based on the principles of the International Labor Organization (ILO). These are: freedom of association, non-use of forced or child labor, equal opportunities for all employees, and a safe working environment. All our major production locations have been certified according to the international OHSAS 18001 health and safety standard since mid-2015.

## RESPONSIBILITY TO THE ENVIRONMENT

Responsible use of natural resources and protection of our climate and environment are core elements of G&D's CSR policy. Our long-term aims are to ensure that our entire value chain is sustainable and to continue reducing our ecological footprint. We plan and coordinate our activities in this regard by means of a sustainability management system that combines Group-wide standards with local responsibility. Through this strategic approach, practical implementation of activities and objectives is handled by the individual operational units and locations. 2015 saw us achieve a key strategic goal: All major production locations now have an ISO 14001 environmental management system in place, in addition to operating in accordance with the OHSAS 18001 health and safety standard. The objective is to safeguard high standards and identify further ways of minimizing the impact of our operations on the environment. For improved measurability, we use centrally defined sustainability indicators, with the specific values determined at the certified production sites. These indicators are based on the internationally recognized Global Reporting Initiative (GRI) and will be gradually expanded.

## Transparent greenhouse gas reporting

A comprehensive emissions control policy underpins our climate protection activities. Our greenhouse gas emissions are reported in line with the Greenhouse Gas Protocol. As the world's most extensive climate protection ranking, the Carbon Disclosure Project (CDP) again confirmed our high level of transparency in 2015, with our score ten points above the average. We remain committed to continually reducing energy consumption at our sites through the use of innovative technology. The Louisenthal paper mill, for instance, uses renewable energy obtained from hydroelectric power for the production of banknote paper. This energy is generated by the organization's own three hydroelectric systems, one of which was extensively upgraded in 2015. In addition, over the past two years, this site has achieved a double-digit percentage reduction in the amount of heat it requires thanks to systematic efficiency measures implemented as part of the ISO 50001 energy management system.

  
cdp.net

  
louisenthal.com

The environmental awareness and active participation of our employees also play an essential role in shrinking G&D's ecological footprint. We support this involvement with regular online training and a range of activities aimed at raising awareness, such as awarding prizes for outstanding sustainability measures initiated by employees as part of the Group-wide G&D Award scheme. Our US subsidiary received an award in the "Best Sustainability Measure" category in December 2015. When renovating its office space, this subsidiary chose a state-of-the-art, sustainable office concept, which has not only created an attractive working environment for its staff, but also includes measures to reduce the site's ecological impact.

Conserving resources is a crucial factor in the operation of our locations, and sustainability is also a priority when it comes to our products. Examples include banknote paper that is typically manufactured from cotton comber noil – a by-product of the textile industry that can also be derived from organically grown cotton if the customer prefers. For cashless payment, G&D can supply card bodies made of renewable materials. We can also provide SIM cards in various form factors that use less material, as well as offering more environmentally friendly alternatives to the standard materials used. After production, the lifecycle of a SIM card can be extended by means of over-the-air updates to prolong its technical service life.

Despite all these energy-saving measures, we were compelled to revise our previous absolute goal of cutting CO<sub>2</sub> emissions by 10 percent between 2010 and 2016 because our greenhouse gas output was not decreasing as envisaged. This was partly a result of relocating banknote production from Canada to Malaysia – a decision that was commercially necessary. CO<sub>2</sub> emissions rose significantly in this connection due to a different energy mix when purchasing energy and to country-specific emissions factors. Our overall production volumes also increased substantially in comparison with the base year, 2010, causing higher direct emissions. In spite of a raft of energy-saving measures, it was not possible to offset this increase. We have therefore opted to amend our existing goal for 2016. We are confident of achieving relative savings of 5 percent across all direct emissions of CO<sub>2</sub> from our own facilities and indirect emissions from purchased energy compared with the base year, 2010. We will make a decision on the reduction goal for subsequent years in the course of 2016.

## RESPONSIBILITY TO CUSTOMERS AND SUPPLIERS

G&D has an effective, well-functioning compliance management system in place for combating risks including antitrust violations, bribery, and corruption. This was certified by an external audit carried out by the Banknote Ethics Initiative (BnEI) in 2014 and verified in a letter of confirmation in 2015.

  
bnei.com

Our declaration of compliance principles consolidates all of the Group's guidelines and regulations and gives our employees and business partners an overview of the specific measures we take to ensure compliance with internal rules and legal requirements. We use prevention and staff awareness strategies to avoid compliance breaches occurring in the first place. Employees take part in extensive e-learning programs on compliance-related topics, such as our Code of Conduct and antitrust law. The participation rate is almost 100 percent across the Group.



International standards and legal requirements also oblige G&D to check the integrity of its business partners, both before commencing a new business relationship and also at regular intervals during an existing partnership. Our business partners are required to undergo an extensive evaluation process and expressly commit to following proper business and information practices.


### **Supply chain sustainability**

We set the same high standards for our suppliers that we apply to ourselves. Suppliers undergo a selection process that examines a range of criteria, including quality, environmental, and workplace safety standards at production sites, plus compliance and CSR aspects. We check that suppliers are complying with our requirements by carrying out regular audits, which also cover CSR issues.

Many of our security technology products contain metals that are extracted from ore. The mining of these materials repeatedly raises human rights issues. Accordingly, we have introduced systematic reporting to ensure responsible handling of these minerals. The contents of materials supplied, such as those used in the production of SIM cards, are recorded and checked by means of a standardized process at G&D, thus creating the transparency required within our own supply chain. Our procedure complies with the requirements of the Dodd-Frank Act, a US federal law that includes provisions to regulate cooperation with raw materials companies in developing countries.

## **RESPONSIBILITY TO SOCIETY**

The not-for-profit Giesecke & Devrient Foundation is the vehicle for our corporate citizenship activities. The Foundation supports a range of projects, including those devoted to education, culture, and intercultural exchange. There are currently three areas of focus: First, an international program that invites young people from all over the world to Germany, organized in cooperation with the Goethe Institute. This program aims to promote intercultural skills and peaceful coexistence for the next generation. The Foundation also supports the Museum of the Printing Arts in Leipzig, the city in which G&D was founded. And finally, our employees have the opportunity to take part in a volunteering program and get involved in projects selected by the Foundation. This might include teaching young people how to manage money effectively and responsibly, assisting at facilities for socially disadvantaged children, or working with refugees. In 2015, the G&D Foundation also provided financial support, including employee donations, for three selected projects to help young refugees integrate into German society.

  
[gi-de-stiftung.org](http://gi-de-stiftung.org)

  
[druckkunst-museum.de](http://druckkunst-museum.de)

# G&D'S CSR PROGRAM

## 10 principles of the UN Global Compact

- Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2** Businesses should make sure that they are not complicit in human rights abuses.
- Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4** Businesses should uphold the elimination of all forms of forced and compulsory labor.
- Principle 5** Businesses should uphold the effective abolition of child labor.
- Principle 6** Businesses should uphold the elimination of discrimination in respect of employment and occupation.
- Principle 7** Businesses should support a precautionary approach to environmental challenges.
- Principle 8** Businesses should undertake initiatives to promote greater environmental responsibility.
- Principle 9** Businesses should encourage the development and diffusion of environmentally friendly technologies.
- Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.

Focus / Activity	Progress / Outlook	Status / Goal	Principle
<b>CSR strategy</b>			
Materiality analysis	Online survey of selected internal and external stakeholders in 2014; review of existing CSR priorities; focus on following action areas: resource-efficient and safe site operation; future-oriented HR policy; fair and safe business practices	Focus on three key CSR action areas; new analysis scheduled for 2017	
<b>Employee awareness</b>			
G&D Award with "Best Sustainability Measure" category	Group-wide prize for innovation, technology, and sustainability measures; 2015 Best Sustainability Measure awarded to Dulles (US) site for its modern and sustainable office concept	December 2015; annual	7, 8, 9
<b>Reporting</b>			
UN Global Compact progress report	Fifth report as per UN Global Compact requirements, covering progress in 2015; combined with G&D annual report	Ongoing	
Participation in EcoVadis CSR assessment platform	Gold Standard rating in the annual evaluation (09/2015) of G&D's activities and supporting documentation relating to the environment, working conditions, human rights, fair business practices, and sustainable supply chain (improvement from 65 to 71 of 100 possible points)	Ongoing; annual rating	

Focus / Activity	Progress / Outlook	Status / Goal	Principle
<b>Action area: Employees</b> (Future-oriented HR policy)			
Diversity management	Phased expansion of selected activities relating to age (step 1), gender (step 2), and cultural diversity (step 3)	Ongoing	1, 2, 6
Measures relating to demographic change	Internal series of events on recruiting and retaining young talent, specialist staff, and managers for G&D	Ongoing	1, 2, 6
	Alumni meeting with former graduates and interns; introduction of dual master's study program	Ongoing	1, 2, 6
	Training for specialist staff in transferring expertise to improve knowledge management; pilot project to implement strategic knowledge management in selected areas, including optimization of associated HR process	Ongoing	1, 2, 6
	Training geared to specific target groups, e.g. "50 Plus: Prospects for Your Professional Future"	Ongoing	1, 2, 6
	Female quota defined for G&D GmbH: 10% of managers in top tier below Management Board (6% as of December 31, 2015); 20% in second management tier (18% as of December 31, 2015)	Mid-2017	1, 2, 6
Measures relating to gender / equal opportunities for women	Internal women's network (Munich) continued 2016: series of events and talks on gender diversity	Ongoing	1, 2, 6
	Participation in events held by social research institute ISF München addressing "Women in the digital workplace of the future – scenarios for research and development"; mentoring program for female staff; career counseling for women under 30; continuation of gender-sensitive approach to assessing potential in talent management and recruiting	Ongoing	1, 2, 6
	Signatory of Diversity Charter (German business initiative to promote diversity in companies and institutions); integration of Charter content into training	Ongoing	1, 2, 6
Measures relating to cultural diversity	Online training in virtual soft skills and virtual leadership; continuation of "G&D – the better connected company" project – optimization of virtual, global cooperation in mixed teams	Ongoing	1, 2, 6
Global talent management	Internal program for systematic identification and development of high-potential employees in three regions (EMEA, APAC, Americas), plus centrally managed global Top Talent program	Ongoing	1, 2, 6
Leadership initiative (Kompass training)	Internal program for systematic identification and development of high-potential employees in three regions (EMEA, APAC, Americas), plus centrally managed global Top Talent program	Dedicated training for all managers conducted in 2015 (except Louisenthal); 2016: one-day "Leading the Way to Success" workshop and individual training sessions	1, 2, 6
German Education Award (TÜV audit)	Participation in 2016 German Education Award (DBP) initiative: audit of entire education and talent management system with regard to quality, efficiency, and innovation of all offerings for managers and employees in Germany, as well as global strategic programs	Participation in 2016	1, 2, 6
Encouraging a healthy work/life/caregiving balance	Fifth berufundfamilie re-audit in accordance with follow-up procedure, i.e. quality management, further development, and embedding of family-friendly HR policy tailored to different life stages; inclusion of Leipzig site	Re-auditing to conclude in August 2016	6
Health management and promotion	Group-wide standards combined with local responsibility; GmbH: expansion of workplace medical services and occupational health system; extension of risk assessment to include psychological stress; continuing education program: ergonomics, back exercises, smoking cessation (2016); planned integration of health management as strategic factor in berufundfamilie audit (overarching topic)	Certification of all major sites to OHSAS 18001 by 2015; berufundfamilie re-audit in August 2016	6
Reintegration management program	GmbH: introduction of company health management program (reintegration after sick leave) in accordance with legal regulations; establishment of relevant process Objective: development of targeted preventive healthcare measures	Ongoing since 2014	
Workplace 2020	Modernization of office/working environment at G&D, aiming to further increase workplace flexibility and embed this approach more strongly in company culture	Ongoing from 2016	

Focus / Activity	Progress / Outlook	Status / Goal	Principle
<b>Action area: Environment</b> (Resource-efficient and safe site operation)			
Sustainability management system for planning and implementing sustainability measures	Group-wide standards combined with local responsibility: practical implementation of activities and objectives handled by operational units and individual locations, founded on centrally defined sustainability indicators in line with GRI standard (energy, CO <sub>2</sub> emissions, water, effluents and waste, workplace accidents, work days lost, etc.); information gathered across Group using SoFi software tool	Ongoing; gradual expansion of metrics	7, 9
Group-wide certification to ISO 14001 and OHSAS 18001	Certified environmental and health and safety management system at all relevant production sites across Group	Mid-2015; ongoing process	7, 8, 9
ISO 50001 certification	Certified energy management system for paper mills in Louisenthal and Königstein (Germany)	2016: audit to include Leipzig printing site	7, 8, 9
Corporate Carbon Footprint (CCF)	CCF 2014 generated for relevant production locations (Q2 2015) Greenhouse gas emissions reported in line with Greenhouse Gas Protocol Product carbon footprint: product-related CO <sub>2</sub> footprint for cards manufactured at four different sites Revision of previous absolute reduction goal (10% between 2010 and 2016) to relative target of 5% (energy requirement / turnover) for reasons including higher emissions factors due to commercially necessary relocation of banknote printing production facility from Canada to Malaysia and greater overall production volumes	Annual	7, 8
Conserving resources in production and site operation (selected examples)	Louisenthal (Germany) paper mill / banknote paper production: hydroelectric system upgraded to generate 11% of site's electricity from hydropower; combined heat and power system in production area (steam turbine to generate electricity); use of waste heat from machines to heat building; phased development of heat recycling network; waste water regeneration through state-of-the-art biomembrane reactors in Louisenthal and Königstein for 40% reduction in fresh water use (pollution control in drinking water protection area) Dulles (US): refurbishment of offices using sustainable materials and energy-saving technology	Ongoing	7, 9
EU Energy Efficiency Directive	Implementation at all European locations and performance of energy audits at sites without ISO 50001 certification Mobile Security sites: one energy audit carried out in 2015 and four more to be completed in 2016	Ongoing	7, 8, 9
Environmentally friendly products	Development/supply of environmentally friendly products, e.g. card bodies made of renewable materials; SIM cards in various form factors that use less material; banknote paper using cotton comber noil as raw material, occurring as textile industry by-product – derived from organically grown cotton on customer request	Ongoing	9
Dialog with stakeholders on environment and climate protection/ initiatives	Participation in various climate protection schemes, such as Carbon Disclosure Project (CDP), and other initiatives, e.g. member of the German Global Compact Network's Peer Learning Group in conjunction with WWF/CDP; climate reporting partner of Deutsche Telekom	Ongoing	8
Informing employees and raising awareness	E-learning on occupational health and safety / fire safety for Munich site	2016: e-learning on environment and health and safety; participation in Sustainability Action Days planned	10

Focus / Activity	Progress / Outlook	Status / Goal	Principle
<b>Action area: Compliance / anti-corruption</b> (Fair and safe business practices)			
Group-wide Code of Conduct	Code of Conduct for all employees and business partners; incorporates UN Global Compact, ILO core employment standards, UN Declaration of Human Rights, OHSAS 18001; compliance monitored by Corporate Auditing	Ongoing	1–10
Declaration of compliance principles	Consolidation of all existing guidelines and internal regulations for employees and business partners; expanded to include corporate guidelines on conflicts of interest and lobbying activities	Ongoing	1–10
Employee awareness / preventive measures	Development of online compliance training concept as refresher for all staff, focusing on conflicts of interest and gifts and invitations, plus antitrust law for all managers and selected employees Training for senior management on “Proper Conduct in the Competitive Marketplace” – antitrust law Preventive measures: regular information sharing with local compliance officers at subsidiaries and on-site compliance monitoring	Training: international roll-out planned for 2016	10
Review of compliance management system (CMS)	Further development of Group-wide risk assessment procedure to ensure risk-based activity monitoring and audit-proof CMS documentation	CMS audit in 2016	1–10
Banknote Ethics Initiative (BnEI)	G&D a founding member; accredited full member since November 2014 following audit by independent auditor; verified in letter of confirmation in 2015	Ongoing	1–10
Business partner evaluation	Implementation of Group-wide guideline on selecting and evaluating business partners; high level of compliance confirmed in CMS audit in line with Assurance Standard 980 of the German Institute of Public Auditors (IDW PS 980)	Ongoing	1–6, 10

### Sustainable supply chain

Supplier assessment via business partner evaluation	Results of G&D compliance management system audit in line with German assurance standard IDW PS 980 show the majority of suppliers have been assessed as part of Group-wide business partner evaluation	Ongoing	1–10
Bill of material (BOM) check for G&D suppliers	Expansion of product environmental management system BOMcheck (online database) to record and check contents of materials supplied, including conflict minerals in accordance with Dodd-Frank Act; online training for relevant employees worldwide Workshop on REACH changes with external specialist lawyer	Ongoing	1–10

### Corporate citizenship

Giesecke & Devrient Foundation	Particular focuses include Museum of the Printing Arts in Leipzig, an international development program for young people from Africa in partnership with the Goethe Institute, and support for refugees – including employee donations – via three initiatives in German state of Bavaria	Ongoing	
Corporate volunteering program	Continuation of volunteering program (launched in 2012) involving social projects such as excursions with refugees, maintenance of a children's farm, work on nursery and school buildings; participation in My Finance Coach project, teaching schoolchildren how to manage money responsibly	Ongoing	



Giesecke & Devrient

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