



Giesecke+Devrient

# Progress Report

2016



[www.gi-de.com](http://www.gi-de.com)

# Statement of Continued Support

We have participated in the UN Global Compact since 2010 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. In our new corporate structure, we continue to pursue our sustainability activities across the Group. At the same time, the subgroup parent companies can set their own priorities, enabling them to respond in the best way possible to specific customer requirements.

We are publishing our progress report in conjunction with the G+D annual report. This reflects our belief that day-to-day business operations and responsible governance are inextricably linked. This progress report summarizes our activities and achievements in the areas covered by the UN Global Compact during the 2016 fiscal year.

We are continuing to work towards our goal of increasing the proportion of women in management positions. Our efforts also include strategic succession planning measures, HR policy tailored to different life stages, and upskilling our employees to equip them for the challenges of a digitized workplace. We have implemented a certified environmental and occupational health and safety management system at all our major production sites. The three Currency Technology production facilities have also introduced an energy management system and are ISO 50001 certified. Our business partners are carefully selected and audited to ensure sustainability in the supply chain.

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



Ralf Wintergerst  
Chairman of the Management Board



# About Giesecke+Devrient

Founded in 1852, Giesecke+Devrient (G+D) is a family-owned company with global operations that is headquartered in Munich. The technology group operates in 32 countries through 72 subsidiaries, joint ventures, and associated companies. At the end of 2016, G+D had approximately 11,300 employees. The company generated total sales of 2.1 billion euros in the 2016 fiscal year.

G+D is a global leader in banknote and security solutions for an efficient and secure cash cycle (Giesecke+Devrient Currency Technology). G+D also supplies banks, network operators, public transportation providers, and increasingly also other companies with end-to-end solutions comprising hardware, software, and services for mobile security applications (Giesecke+Devrient Mobile Security). Veridos GmbH, a joint venture between G+D and Bundesdruckerei, Berlin, supplies highly secure travel documents, ID systems, and healthcare cards. Via secunet AG, G+D also offers its customers IT security solutions and high-security IT systems.

In order to further extend G+D's success with product sales in rapidly growing markets and to respond promptly to changing market conditions, the operational units will be given greater independence and autonomy starting in mid-2017. To achieve this, the G+D Group is being divided into four legally distinct operating companies: Currency Technology, Mobile Security, Veridos, and secunet.

As an innovative, customer-focused technology company, G+D is heavily reliant on research and development to safeguard its success. R&D spending totaled over 140 million euros in 2016. G+D holds some 7,600 patents and patent applications worldwide.

# Our Responsibility

Giesecke+Devrient (G+D) has been participating in the UN Global Compact, the world's biggest and most important initiative for responsible corporate governance, since 2010. G+D is fully committed to its principles on human rights, labor standards, environmental protection, and fighting corruption. We take responsibility for the social impact of our business activities and are mindful of the requirements around achieving sustainable operations across our supply chain. Our sixth progress report documents the measures we put in place to ensure responsible corporate governance during the 2016 fiscal year.

The ten principles of the UN Global Compact > [www.unglobalcompact.org](http://www.unglobalcompact.org) 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. In our new corporate structure, we continue to pursue our sustainability activities across the Group. At the same time, the subgroup parent companies can

set their own priorities, enabling them to respond in the best way possible to specific customer requirements. In addition, we are planning a review of our materiality matrix for the holding company and the subgroups in 2017.

We demonstrate our sustainability standards not only in our annual progress report, but also through our participation in the EcoVadis global online initiative.

> [www.ecovadis.org](http://www.ecovadis.org)

# 73

out of 100 points

EcoVadis Gold Standard  
for Giesecke+Devrient

EcoVadis operates the world's biggest platform specializing in supplier CSR ratings for global supply chains. We subject ourselves to an extensive sustainability assessment of our corporate governance activities as part of this initiative. In November 2016, we again received a Gold Standard rating after the annual evaluation, scoring 73 out of 100 points. G+D thus belongs to the top tier of businesses assessed by EcoVadis. Indicators collected across the Group provide the foundation for the documentation submitted. These indicators help us manage our sustainability activities, monitor targets, and identify areas where there is room for improvement.

## Responsibility

# To Employees

Being a leader in all our markets is central to our strategic agenda. Innovation and quality assurance are thus among our most important endeavors. Today and in the future, we need qualified and motivated employees around the globe.

Our declared aim is therefore clear:

G+D provides an environment that motivates its employees to achieve their best and enables them to grow professionally and personally within the organization.

G+D also promotes diversity and believes it is beneficial and enriching to the company. The same applies to the health of our employees. Specifically, this means developing existing employees and at the same time attracting well-qualified young talent and management staff. We seek to achieve this through strategic succession planning measures, HR policy tailored to different life stages, and new, modern ways of working in response to increasing digitization of the workplace that simultaneously recognize the needs of our employees.

## Ongoing Qualification and Training

Our employees have access to a wide-ranging training program and can pursue their career through individual development plans, which cover specialist skills, project leadership, and management positions. At the management level, we focus on strategic succession planning by way of appropriate HR instruments. In addition, we aim to upskill our employees so they are even better equipped for the challenges of a digitized workplace. This involves targeted training and ongoing pro-

fessional development. We reach out to the skilled employees of tomorrow at an early stage, via recruitment fairs, for example, or through Germany's nationwide "Girls' Day," > [www.girls-day.de](http://www.girls-day.de) which seeks to interest girls in technology-based career options. "Girls' Day" is the biggest career guidance project for female high school students worldwide. We attract new talent and job market entrants via professional training opportunities, dual and master's study programs – predominantly in technical subjects – an 18-month international trainee program, and direct entry into the workforce.

Our global talent management program identifies and develops employees who demonstrate the potential to take on bigger 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.

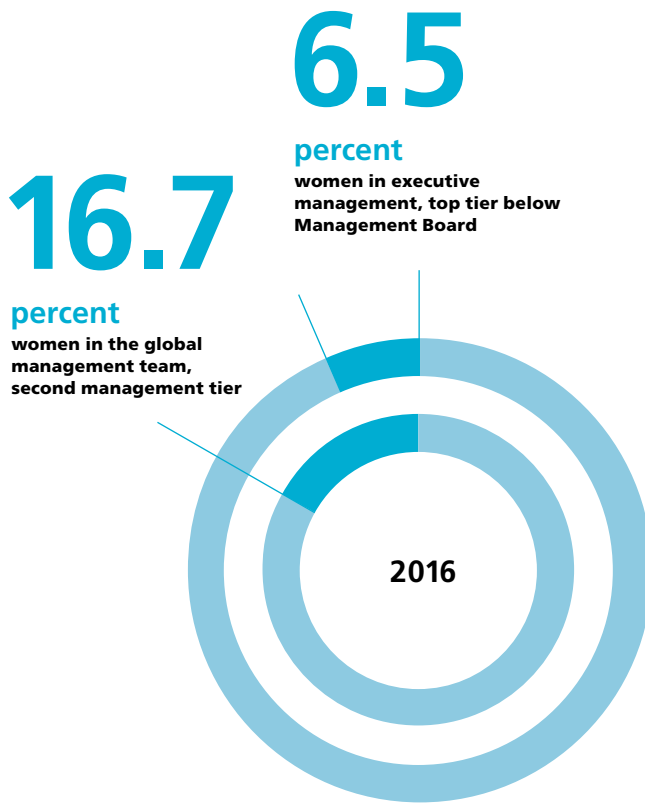
A new round of the global Top Talent program was launched in 2016, with eight employees from six countries being selected; it finishes in April 2017. G+D also remains committed to targeted promotion of suitable candidates in 2017.

## 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, which enables an individual and appropriate work/life balance. This includes occupational health measures, management awareness training, the intergenerational transfer of expertise, and reintegration support after extended periods of sick leave. In 2016, specialist staff received dedicated training to help professionalize the necessary transfer of expertise to a new generation of employees. In addition, we carried out a pilot project at the Munich site on psychological risks in the workplace. The aim is to identify >



## Female Staff Worldwide



and assess work-related psychological stress, with measures then being developed in dialog with staff and management to improve conditions. The 2016 "berufundfamilie"

> [www.beruf-und-familie.de](http://www.beruf-und-familie.de) re-audit (carried out at the highest audit level) confirmed that an HR policy geared towards different life stages is embedded in the corporate structure at G+D. "berufundfamilie" is a strategic management instrument used by businesses and institutions to align their HR policy with family needs and life stages.

### Diversity as a Competitive Advantage

Alongside offering good career development and progression opportunities, we aim to recognize and promote the diversity of our

staff. 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. As a signatory to the German government's Diversity Charter > [www.charta-der-vielfalt.de](http://www.charta-der-vielfalt.de), which is designed to promote respect and combat prejudice, we embrace these principles in training sessions, workshops, and in the workplace.

Our three-pronged diversity management concept goes even further, aiming to create conditions in which our employees can perform to the very best of their ability regardless of gender, age, or cultural origin. Diversity was also applied as a basic criterion during the selection of trainees and top talents.

## Women in Management Roles

Equal opportunities for women and having a higher proportion of women in management and key positions are important goals for G+D as we seek to achieve greater diversity throughout the company. By mid-2017, we want 10 percent of managers in the top tier below the Management Board at G+D Germany to be women. Our target for the second management tier is 20 percent. This also reflects the requirement under German law to define a female quota for management roles. A third of our Supervisory Board is already made up of women. We aim to increase the proportion of women at the executive and global management level to 15 percent worldwide.

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. We take all aspects of management ability into consideration when selecting candidates and while recruiting staff in general.

Half of our global Top Talent program in 2016 was comprised of women. The participants in our current trainee program are exclusively women.

G+D shares insights with other companies on the genderdax platform > [www.genderdax.de](http://www.genderdax.de), an initiative supported by the German government. This platform focuses on gender and diversity issues, which are addressed in detail at conferences and workshops. Participants in the initiative are drawn from both industry and academia.

A good work/life balance and a family-friendly corporate culture and management style are also key drivers of employee health and satisfaction. We provide a range of options, from mobile working and telecommuting to in-house childcare facilities and assistance for employees with relatives needing care. We also offer flexible working time models and job sharing. Almost 10 percent of the jobs at G+D in Germany are now part-time positions.

## Responsible Management

In times of major change, our managers face complex challenges every day. We support them in developing their leadership potential, thereby enabling them to give employees appropriate guidance and set an example. Our leadership initiative has established a Group-wide management philosophy that



promotes a sense of identity, while leveraging employees' specific strengths, and a value-based leadership culture. Building on the first training session, a series of workshops entitled "Leading the Way to Success" and associated feedback workshops were launched in 2016. In addition, training was offered around boosting management skills in change processes.

### Meeting 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 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 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 supply chain is sustainable and to continue reducing our ecological footprint. All our major production sites have an ISO 14001 environmental management system in place. The three Currency Technology production facilities in Louisenthal, Königstein, and Leipzig have also introduced an energy management system and are ISO 50001 certified. As part of the company's new structure, we are moving from the previous certifications at the Group level and working to develop independent management systems for the subgroup companies and the holding company. In the

future, every company will thus be responsible for practical implementation of its own activities and objectives.

We will switch to the revised ISO 14001:2015 standard as part of the recertification audit in 2018.

Our aim is to ensure that standards are met across the Group while also taking account of the specific requirements of the subgroup companies and identifying more ways of minimizing the environmental impact of our operations. We measure our activities against centrally defined sustainability indicators, which we capture at the 22 largest production sites. These indicators are based on the internationally recognized Global Reporting Initiative (GRI) > [www.globalreporting.org](http://www.globalreporting.org) and will be gradually expanded. Via a participatory process, the GRI develops guidelines for the creation of sustainability reports by major corporations, SMEs, governments, and NGOs.

### Number of Employees Involved in a Recordable Injury



### Transparent Greenhouse Gas Reporting

Our climate protection activities are underpinned by a comprehensive emissions control policy. We report our greenhouse gas emissions in line with the Greenhouse Gas Protocol. This is the most widely used international calculation method for greenhouse gas emissions. As the world's most extensive climate protection ranking, the Carbon Disclosure Project (CDP) > [www.cdp.net](http://www.cdp.net) again confirmed our high level of transparency in 2016. We intend to continue reducing our energy consumption at our sites through the deployment of innovative technology. The Louisenthal paper mill > [www.louisenthal.com](http://www.louisenthal.com), for instance, uses renewable energy obtained from a dedicated hydropower system for the production of banknote paper. In the course of upgrading our headquarters in Munich, the entire site will be equipped with LED lighting by 2018. Floor lamps will be fitted with daylight sensors and movement sensors. These changes should cut the amount of power used for lighting by more than 65 percent.

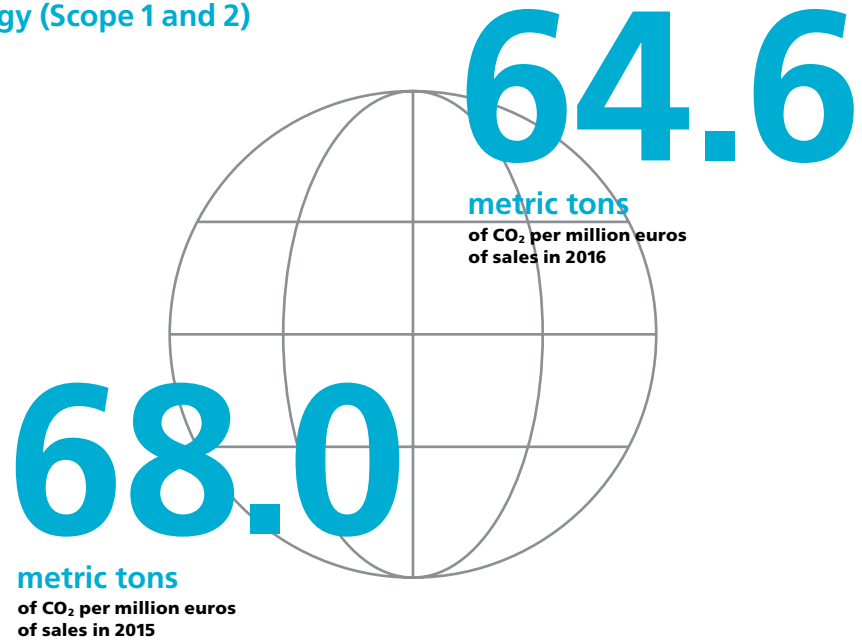
We want to motivate our staff to actively contribute to reducing G+D's ecological footprint. We support this involvement with regular online training and a range of activities aimed at raising awareness, such as awarding prizes for outstanding sustainability measures initiated by employees. In 2016, the Louisenthal paper mill received the G+D Award in the "Best Sustainability Measure" category for the phased establishment of a heat recycling network at the site. >

Waste heat from the production process is recycled and used for building climate control.

Conserving resources is a crucial factor in the operation of our sites, 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 payments, 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 can be extended by means of over-the-air updates to prolong its technical service life.

Last year, we amended our absolute goal for reducing CO<sub>2</sub> emissions between the base year, 2010, and 2016 to minus 5 percent. In actual fact, by 2016 we succeeded in reducing direct greenhouse gas emissions from our own facilities and indirect emissions from purchased energy by 9 percent (energy requirement/sales). In 2017, we will adapt our climate protection strategy to the new corporate structure and establish the reduction goal for the years ahead.

## Direct CO<sub>2</sub> Emissions and Emissions from Purchased Energy (Scope 1 and 2)



## Responsibility

### To Customers and Suppliers

G+D has an effective, well-functioning compliance management system (CMS) in place for combating risks including antitrust violations, bribery, and corruption. This was certified by an initial external audit carried out by the Banknote Ethics Initiative (BnEI) > [www.bnei.com](http://www.bnei.com) in 2014, and confirmed again in 2016. In addition, our CMS was assessed in line with Assurance Standard IDW PS 980 and is currently being adapted to the future corporate structure.

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 actively avoid compliance breaches occurring

in the first place. Employees take part in extensive e-learning programs on compliance-related topics. 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 apply the same high standards to our suppliers as we do to ourselves. Suppliers undergo a selection process that covers 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 include 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 sourcing 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. In addition, in 2017 we will be preparing a G+D statement on addressing human trafficking and forced labor in our supply chain. This declaration will meet the requirements of the UK's Modern Slavery Act, which stipulates that organizations must draw up an annual statement on slavery and human trafficking.



**Transparent greenhouse gas reporting:**

Our long-term aim is to continue reducing our ecological footprint.

**Responsibility****To Society**

The not-for-profit Giesecke & Devrient Foundation > [www.gi-de-stiftung.org](http://www.gi-de-stiftung.org) is the vehicle for our corporate citizenship activities. Established in 2010, the Foundation supports projects devoted to education, culture, and intercultural exchange. Particular focuses include an international program that invites young people from all over the world to Germany, organized in association with the Goethe Institute. This program aims to promote intercultural skills and peaceful coexistence for the next generation. It was expanded in 2016 to include an alumni program. The Foundation also supports the Museum of the Printing Arts > [www.druckkunst-museum.de](http://www.druckkunst-museum.de) in Leipzig, the city in which G+D was founded. Finally, our employees have the opportunity to take part in a volunteering program and get involved in projects selected by the Foundation. <



# G+D's CSR Program

Focus/Activity	Progress/Outlook	Status/Goal	GC Principles <sup>1</sup>
<b>CSRS</b>			
Materiality analysis	Focus on following action areas, based on online survey of selected internal and external stakeholders in 2014: resource-efficient and safe site operation; future-oriented HR policy; fair and safe business practices	Three key CSR action areas; review with regard to holding company and subgroup companies scheduled for 2017	
<b>Employee Awareness</b>			
G+D Award with "Best Sustainability Measure" category	Group-wide prize for innovation, technology, and sustainability measures; 2016 "Best Sustainability Measure" awarded for establishment of a heat recycling network at the Louisenthal site (production of banknote paper and foils), use of waste heat from production process for building climate control	12/2016; annual	7, 8, 9
<b>Reporting</b>			
UN Global Compact progress report	Sixth report as per UN Global Compact requirements, covering progress in 2016; combined with G+D annual report	Ongoing	
Participation in EcoVadis CSR assessment platform	Gold Standard rating in the annual evaluation (11/2016) of G+D's activities and supporting documentation relating to the environment, working conditions, human rights, fair business practices, and a sustainable supply chain (improvement to 73 out of 100 possible points)	Ongoing, annual rating	
<b>Action Area: Employees</b>			
Future-oriented HR policy			
Diversity management	Phased expansion of selected activities relating to age, gender, and cultural diversity		1, 2, 6
	Internal Diversity Day as part of Diversity Charter program. Theme: Megatrends in the Workplace – Diversity is a Must.	09/2016	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, 6
	Introduction of dual master's study program	Ongoing	1, 6
	Training for specialist staff in transferring expertise to improve knowledge management	Ongoing	1, 6
Measures relating to gender/equal opportunities for women	Female quota defined for G+D Germany: 10% of managers in top tier below Management Board; 20% in second management tier	Mid-2017	1, 2, 6
	Participation in events held by social research institute ISF Munich 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

Focus/Activity	Progress/Outlook	Status/Goal	GC Principles <sup>1</sup>
Measures relating to cultural diversity	Signatory of Diversity Charter (German business initiative to promote diversity in companies and institutions); integration of Charter content into training	Ongoing	1, 2, 6
	Online training in virtual soft skills and virtual leadership – optimization of virtual global cooperation in mixed teams	Ongoing	1, 6
Global talent management	Internal program for systematic identification and development of high-potential employees	01/2016: new round of global Top Talent program	1, 2, 6
Group Graduate Program	International Group Graduate Program for five trainees	11/2016 to 05/2018	1, 2, 6
Leadership initiative	Series of training sessions and workshops for all managers in Germany to establish a Group-wide management philosophy and value-based leadership culture	Ongoing	1, 2, 6
Encouraging a healthy work/life/caregiving balance	Fifth “berufundfamilie” re-audit in accordance with follow-up procedure (highest audit level), with inclusion of the Leipzig printing site in the audit; confirmation that the operational measures adopted or updated are embedded in HR policy and are being rolled out in Leipzig	Certificate confirmed on October 31, 2016	6
Health management and promotion	GmbH: expansion of workplace medical services and occupational health scheme; extension of risk assessment to include psychological stress involving a pilot project with around 280 employees in Q4 2016, ergonomics advisers, continuing education program: ergonomics, back exercises, non-smokers (2016), inclusion of health management as an objective in the framework for the “berufundfamilie” audit	Certification of all major sites to OHSAS 18001; re-audit of the berufundfamilie certificate in October 2016	6
Reintegration management program	GmbH: program for reintegration management (after sick leave) in accordance with legal regulations; establishment of relevant process. Objective: development of preventative healthcare measures; training of reintegration team as Certified Disability Management Professionals (CDMP)	Ongoing since 2014	
Workplace 2020	Modernization of office/working environment and consolidation of all satellite sites at the main Munich location. Further increase workplace flexibility, expand team structures, and embed this approach more strongly in corporate culture. Taking account of psychological stress when planning office space. Consider other ways of boosting employer attractiveness as part of Workplace 2020.	Ongoing from 2016	

### Action Area: Environment

#### Resource-efficient and safe site operation

Sustainability management system for planning and implementing sustainability measures	Central standards combined with decentralized responsibility: practical implementation of activities and objectives to be handled by the subgroups, founded on centrally defined sustainability indicators in line with GRI standard (energy, CO <sub>2</sub> emissions, water, effluents, waste, workplace accidents, work days lost, etc.); information gathered across Group using SoFi software tool	Centralized management of standards; implementation will be the responsibility of the subgroups in the future	7, 9
Group-wide certification to ISO 14001 and OHSAS 18001	Group-wide certified environmental and health and safety management system at all relevant production sites	Management systems to be decentralized: certification in subgroups and self-certification of holding company	7, 8, 9
ISO 50001 certification	Certified energy management system for paper mills in Louisenthal and Königstein and at the Leipzig printing site	Ongoing	7, 8, 9

Focus/Activity	Progress/Outlook	Status/Goal	GC Principles <sup>1</sup>
Corporate carbon footprint (CCF)	Generate CCF 2016 for relevant production locations (Q2 2017). Greenhouse gas emissions reported in line with Greenhouse Gas Protocol. Reduction in emissions by 9% (between 2010 and 2016), thus meeting the revised reduction goal of 5% (energy requirement/sales) Product carbon footprint: product-related CO <sub>2</sub> footprint for cards manufactured at four different sites	Annual; in 2017, adapt climate protection strategy to new corporate structure	7, 8
Conserving resources in production and site operation (selected examples)	<b>Louisenthal (Germany) paper mill</b> /banknote paper production: phased development of heat recycling network, using waste heat from the production process for building climate control, own hydroelectric system generates 11% of site's electricity from hydropower <b>Munich</b> : taking sustainability into account during extensive upgrading work (e.g. switching to LED lighting; energy saving: approx. 68%) <b>Dulles, Virginia (US)</b> : patenting of cell phone holder made of waste from the production of SIM card bodies	Ongoing	9
EU Energy Efficiency Directive	Implementation at all European locations and performance of energy audits at sites without ISO 50001 certification; Mobile Security sites: five energy audits completed in 2016	Ongoing	
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; joined Munich climate pact in 2016; energy efficiency networks initiative; two trainees attended "energy scout" course offered by Chamber of Trade and Commerce	Ongoing	8
Informing employees and raising awareness	E-learning on occupational health and safety/fire safety for Munich site, easy-teach sustainability film; participation in Germany-wide Sustainability Action Days in 2016	2017: e-learning on environment and health and safety; internal Sustainability Action Days planned	10

### Action Area: Compliance/anti-corruption

#### 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	Ongoing	1–10
Employee awareness/preventive measures	International roll-out of compliance training as refresher for all staff; focusing on conflicts of interest and gifts and invitations, plus antitrust law for all managers and selected employees; Preventive measures: regular information sharing with local compliance officers at subsidiaries and on-site compliance monitoring.	Ongoing	10

Focus/Activity	Progress/Outlook	Status/Goal	GC Principles <sup>1</sup>
Statement on the Modern Slavery Act	Statement on how G+D addresses human trafficking and forced labor in the supply chain in accordance with the requirements of this British law	To be prepared in 2017	1–6, 10
Review of compliance management system (CMS)	Further development of Group-wide risk assessment procedure to ensure risk-based activity monitoring	CMS audit scheduled for mid-2017	1–10
Banknote Ethics Initiative (BnEI)	G+D a founding member; accredited full member since November 2014 following audit by independent auditor; verified again in letter of confirmation in 2016	Ongoing	1–10
Business partner evaluation	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	Ongoing	1–6, 10
<b>Sustainable Supply Chain</b>			
Supplier assessment via business partner evaluation	Results of G+D compliance management system audit in line with Assurance Standard 980 of the German Institute of Public Auditors 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	Ongoing	1–10
<b>Corporate Citizenship</b>			
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, initiation of an alumni program, various other projects	Ongoing	
Corporate volunteering program	Volunteering program (launched in 2012) involving social projects, such as excursions with refugees, construction work; participation in My Finance Coach project designed to teach schoolchildren how to manage money responsibly	Ongoing	

<sup>1</sup> See table “10 Principles of the UN Global Compact”

## 10 Principles of the UN Global Compact

<b>Principle 01</b>	Businesses should support and respect the protection of internationally proclaimed human rights.
<b>Principle 02</b>	Businesses should make sure that they are not complicit in human rights abuses.
<b>Principle 03</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
<b>Principle 04</b>	Businesses should uphold the elimination of all forms of forced and compulsory labor.
<b>Principle 05</b>	Businesses should uphold the effective abolition of child labor.
<b>Principle 06</b>	Businesses should uphold the elimination of discrimination in respect of employment and occupation.
<b>Principle 07</b>	Businesses should support a precautionary approach to environmental challenges.
<b>Principle 08</b>	Businesses should undertake initiatives to promote greater environmental responsibility.
<b>Principle 09</b>	Businesses should encourage the development and diffusion of environmentally friendly technologies.
<b>Principle 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery.

