



Giesecke+Devrient

Progress Report

2017



Statement of Continued Support

As a signatory to the United Nations Global Compact, we are committed to its principles of responsible corporate governance and are mindful of the requirements around achieving sustainable operations across our business.

In the last fiscal year, we re-evaluated the focus of our corporate responsibility (CR) activities and aligned them with the requirements of our customers. As a result, going forward we will concentrate on the three defined action areas of employees, environmental and climate protection, and supplier management. Within these areas, we are developing central standards that will apply across the Group. The business units will design their own specific activities and measures, enabling them to respond in the best way possible to their particular requirements.

This progress report summarizes the activities and achievements across the Group with regard to human rights, labor standards, environmental protection, and fighting corruption during the 2017 reporting period.

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



Ralf Wintergerst
Chairman of the Management Board,
CEO of G+D GmbH

WE SUPPORT



About Giesecke+Devrient

Giesecke+Devrient (G+D) is a global security technology group headquartered in Munich, Germany. Founded in 1852, the Group has a workforce of 11,600 employees and generated sales of approximately EUR 2.14 billion in the 2017 fiscal year. 72 subsidiaries and joint ventures in 32 countries ensure customer proximity worldwide. The G+D Group consists of four legally independent subgroups.

G+D develops, produces, and distributes products and solutions for secure payment, connectivity, identity and digital security. G+D is a technology leader in these markets and holds a strong competitive position.

G+D Currency Technology provides products and solutions for secure payment to central and commercial banks, bank-note printers, security paper manufacturers, security transport companies, and casinos around the world. The portfolio includes banknote paper, banknotes, security features, banknote processing machines, and complete cash center solutions.

Banks, mobile network operators, car manufacturers, and growing numbers of other companies rely on the industry solutions supplied by **G+D Mobile Security**. These solutions safeguard data, identities, and a wide range of digital transactions. The portfolio includes solutions for eSIM management and secure HCE/cloud payment. Data and project management are also part of the offering, as are SIM, bank, ID, and healthcare cards and tokens.

Veridos is a joint venture between G+D and Bundesdruckerei, offering customers secure and pioneering identification and identity solutions. The product range covers traditional printed documents as well as electronic ID documents. Highly secure travel documents, ID systems, and healthcare cards can be used for conventional identification purposes as well as for authentication and protection in digital business processes.

secunet Security Networks AG is a leading German provider of high-quality cyber security solutions and an IT security partner to the Federal Republic of Germany. It offers an extensive portfolio of products and consulting services around the protection of data and infrastructures and for the transmission, storage, and processing of information. This includes encryption technology up to the highest security level (Top Secret). secunet ensures public authorities, organizations, and companies are reliably protected against cyber attacks, espionage, and sabotage.

Our Responsibility

The ten principles of the United Nations Global Compact advocate responsibility in the areas of human rights, labor standards, environmental protection, and anti-corruption. For the past seven years, Giesecke+Devrient (G+D) has been fully committed to these values and has taken responsibility for the social impact of its business activities. This latest progress report documents the measures we put in place to ensure responsible corporate governance during the 2017 fiscal year.



The principles of the UN Global Compact, together with the assessment of issues around responsible corporate governance that are relevant for G+D, provide the framework for our corporate responsibility (CR) strategy. We re-evaluated the focus of our CR activities in 2017 after conducting internal interviews and comparing our priorities with customer requirements. As a result, going forward we will concentrate on the three defined action areas of employees, environmental and climate protection, and supplier management. Standards relating to these areas will apply across the Group. The process for defining the relevant targets started at the end of 2017. In applying these standards, the business units will set their own priorities and define the CR measures and activities that are most important for them.

Responsibility

To Employees

Making Giesecke+Devrient the world's leading group for security technologies and services lies at the heart of our strategic agenda. Innovation and quality assurance are thus among our most important endeavors. A strong team is crucial for our success. Today and in the future, we need qualified and motivated employees around the globe to ensure we can achieve our vision. Our declared aim is therefore clear: G+D provides an environment that motivates its staff to

achieve their best and innovate, enabling them to grow professionally and personally within the organization. G+D also promotes diversity and believes it is beneficial to the company. Our employees' health and ability to perform is of particular importance to us.

Ongoing Qualification and Training

Technological advances and social change in an increasingly digitized world are transforming the way we work and challenging companies and employees alike. This means that each individual needs to remain flexible, with lifelong learning and the ability to acquire new knowledge becoming essential. To ensure we meet these requirements, we take particular care in analyzing what skills are important for G+D today and which ones we will need in the future. We take these findings into consideration when hiring new members of staff, but also with regard to advising existing employees and helping them develop their abilities and acquire relevant new skills.

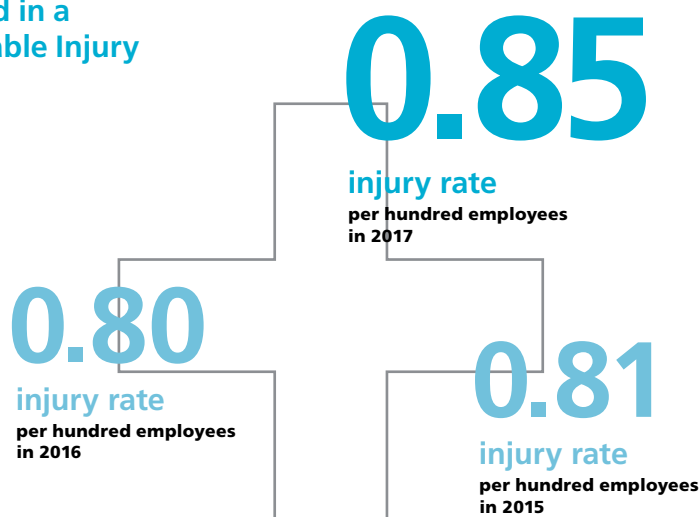
Our training portfolio is a key instrument here. It provides employees with fast access to high-quality training and is continually being expanded to include new aspects, such as agile working methods and virtual collaboration. We also deploy a wide range of other development resources, from individual career guidance – which covers specialist skills, project leadership, and management positions – through to coaching and special talent management programs.

These support programs for future managers have been redesigned to reflect our new corporate structure. There will be a Group-wide, global talent management program for systematic development of employees who demonstrate the potential to take on bigger projects and greater management responsibility. G+D Currency Technology and G+D Mobile Security will additionally have their own development programs, which are specially tailored to the requirements of the respective business unit. These programs are at the design stage and are scheduled to go live starting in April 2018, depending on the business area.

Recruiting Young Talent

We reach out to the skilled employees of tomorrow at an early stage, such as via careers fairs, at universities, or through Germany's nationwide "Girls' Day" > www.girl-day.de,

Number of Employees Involved in a Recordable Injury



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, and direct entry into the workforce. For the vocational training programs at our Munich site, we have formed a network between individual companies and the holding company, thereby giving trainees an insight into different areas of the business.

Development for Different Life Stages

Ensuring each employee finds his or her own personal work/life balance is a key priority for G+D. Our response here takes the form of staff development tailored to different life stages, which is designed to enable an individual and appropriate work/life balance. We offer a flexible working time model with no core working hours, no minimum daily attendance hours, and no limit on monthly leave. As well as being flexible about when our employees work, we also aim to be flexible about where they work. We allow them to do their job in an environment that is right for them, be it a home

office or another location via mobile working. If our employees' personal circumstances change – perhaps through pregnancy, illness, or the need to care for dependent relatives – we support them.

Our HR policy is subject to external assessment in the German *berufundfamilie* > www.beruf-und-familie.de audit – a strategic management instrument that reflects our focus on accommodating different life stages. The 2016 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. The next re-audit will take place in 2019.

Protecting Health

We have a special responsibility to protect and promote the health of our employees. At our locations around the world, we have introduced a certified management system in accordance with the international OHSAS 18001 standard, thereby demonstrating that we take active preventive measures to avoid accidents and illness. There are also additional initiatives at many other locations, such as occupational health check-ups.

At the Munich site, in 2017 we implemented various measures from a pilot project on >

risk assessment of psychological stress at work; these included adapting the work environment. The aim is to identify and assess work-related psychological stress, with measures then being developed in dialog with staff, management, and the Works Council to improve conditions.

We also offer activities that promote a healthy lifestyle, such as welfare advice and addiction counseling, information and training on health issues, medical check-ups, and an exercise and fitness program.

Strengthening Diversity

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, 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 talent.

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. We achieved our target of women occupying 10 percent of management positions in the top tier below the Management Board at Giesecke+Devrient GmbH in 2017. 18 percent of positions in the second management tier are filled by women, meaning that we came very close to achieving our target here, too. 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. Worldwide, we aim to increase the proportion of women in leadership positions.

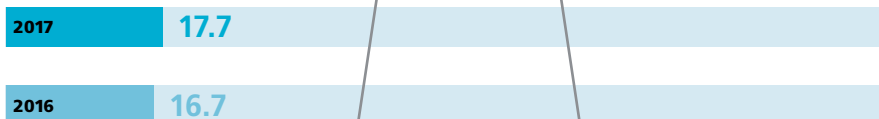
We will seek to achieve these objectives by filling vacant posts with suitable female candidates and providing targeted professional support for women within the organization. We take all aspects of management ability into consideration when selecting candidates and while recruiting staff in general. The participants in our current trainee program are exclusively women.

Management Responsibility

Managers face challenges not only due to digitization, but also with regard to a rapidly changing operating environment and new generations of employees. Accordingly, there will be an even greater emphasis on staff development around leadership and management at G+D in 2018. New programs and training formats to be designed in 2018 are intended to ensure that line managers are optimally prepared for their demanding tasks and continuously supported in their management responsibilities.

Women in Management Roles Worldwide in Percent

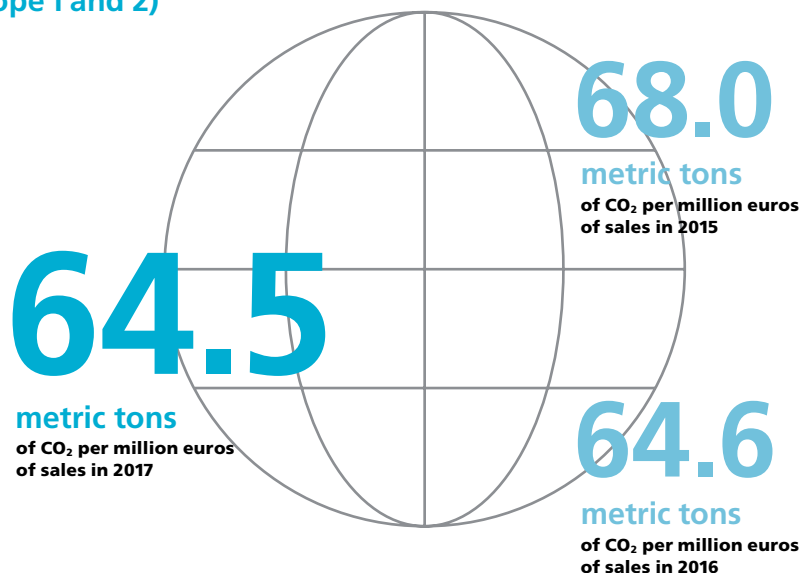
Women in the global management team



Women in executive management



Direct CO₂ Emissions and Emissions from Purchased Energy (Scope 1 and 2)



Responsibility

To the Environment

Responsible use of natural resources and protection of our climate and environment are core elements of G+D's CR policy. We are committed to ensuring that our entire value chain is sustainable and to continuously reducing our ecological footprint.

All our major production locations have an ISO 14001 environmental management system in place. The three Currency Technology production facilities in Louisenenthal, Königstein, and Leipzig also have an energy management system and are ISO 50001 certified.

Following the restructuring of the company in 2017, we have moved away from the previous certifications at the Group level and separated out the environmental management systems. This means that each individual business unit and the holding company are now responsible for practical implementation

of their own activities and objectives. The re-audit for certification in accordance with the revised ISO 14001:2015 standard takes place in the first half of 2018.

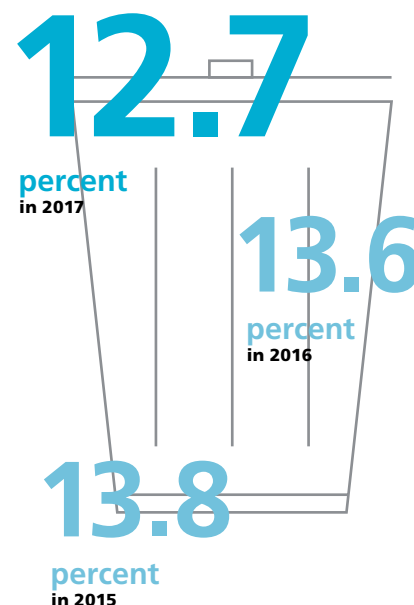
Our aim is to ensure that standards are met across the Group by defining the general framework while also taking account of the specific requirements of the individual business units and identifying more ways of minimizing the environmental impact of our operations. We measure our activities against centrally defined sustainability indicators, which we capture at the largest production sites. These indicators are based on the internationally recognized Global Reporting Initiative (GRI) > www.globalreporting.org. By using these indicators to evaluate and analyze our environmental performance in line with the ISO 14001:2015 standard, we will achieve greater transparency and measurability in the future, including with regard to upstream and downstream processes in the value chain. Since the end of 2017, we have been working on defining an overarching CO₂ reduction target and a climate strategy. This process will be completed in 2018.

Transparent Greenhouse Gas Reporting

G+D's 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. In the world's most extensive climate protection ranking, the CDP > www.cdp.net, we occupied a good mid-table position in 2017 in the supplier category.

We intend to continue reducing our energy consumption at our sites through the deployment of innovative technology. The Louisenenthal paper mill > www.louisenthal.com, for instance, uses renewable energy obtained from a dedicated hydropower system for the production of banknote paper and is gradually establishing a heat recycling network at the site. In the course of upgrading our headquarters in Munich, the entire site will be equipped with LED lighting by mid-2019. Floor lamps will be fitted with daylight sensors and movement sensors. This will allow energy consumption for lighting to be reduced by more than half. >

Hazardous Waste in Relation to Total Waste



We want to motivate our staff to actively contribute to reducing G+D's ecological footprint. We support this involvement via a range of activities aimed at raising awareness, such as awarding prizes for outstanding sustainability measures initiated by employees. In 2017, the Group-wide G+D Award in the category "Best Sustainability Measure" went to an initiative that eliminates single-use packaging for banknotes in the automated processing chain between central bank, cash center, and commercial bank.

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 payments, G+D Mobile Security can supply card bodies made of the renewable material PLA (polylactic acid). 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.

Responsibility

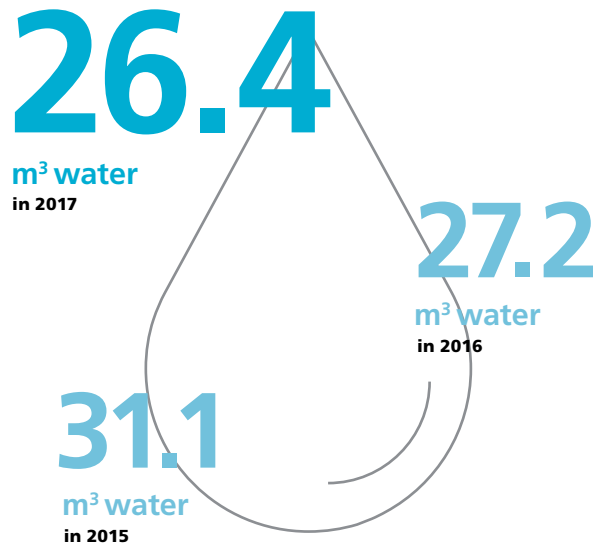
To Customers and Suppliers

G+D has an effective, well-functioning compliance management system (CMS) in place for combating risks including antitrust violations, bribery, and corruption. The CMS was adapted to the new management structure in 2017, with the corresponding responsibilities being undertaken by Giesecke+Devrient Currency Technology, Giesecke+Devrient Mobile Security, and Giesecke+Devrient GmbH.

Following a re-audit, our membership of the Banknote Ethics Initiative (BnEI) > www.bnei.com, which G+D helped to establish in 2013, was transferred to G+D Currency Technology due to this business unit's sector focus. The BnEI seeks to prevent corruption and violations of antitrust law in the banknote sector.

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

Water Consumption per Employee¹



¹Without water intensive banknote paper production

rate is almost 100 percent. Across the Group, we refined our systems for recording compliance risks and drove forward measures to minimize risk throughout the organization. We have a reporting system in place for potential compliance violations, which was converted to an Internet-based whistleblowing tool in 2017 and can also be used by external parties.

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

As we have an extensive upstream value chain, we apply the same high standards to our suppliers as we do to ourselves. In both Mobile Security and Currency Technology, suppliers undergo a selection process that covers a range of criteria, including quality, environmental, and workplace safety standards at production sites, plus compliance

and corporate responsibility aspects. In 2017, we completely revised the supplier questionnaires and documents used for this process and added more environmental and social criteria. We check that suppliers are complying with our requirements by carrying out regular audits. These audits include questions about responsible corporate governance. G+D Mobile Security has an extensive supply chain and 20 to 30 percent of the active A and B suppliers are checked; at G+D Currency Technology, the figure is 5 to 10 percent.

In addition, in 2017 G+D created a Group-wide policy on addressing human trafficking and forced labor in our supply chain. This policy meets the requirements of the UK's Modern Slavery Act, which stipulates that organizations must draw up an annual statement on slavery and human trafficking.

Many of our security technology products contain metals that are extracted from ore. The mining of these materials repeatedly raises human rights issues. Accordingly, G+D Mobile Security has introduced systematic reporting to ensure responsible sourcing of these so-called conflict minerals. The contents of materials supplied, such as those used in the production of smartcards, 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. Mobile Security completely revised the existing statement on conflict minerals in 2017.

Responsibility

To Society

The not-for-profit Giesecke+Devrient Foundation > www.gi-de-stiftung.org has been the vehicle for our corporate citizenship activities for the past seven years. 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. It has included an alumni program since 2016. The Foundation also supports the Museum of the Printing Arts > 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. <

The Giesecke+Devrient Foundation enables young people from all over the world to experience life and work in Germany.



Corporate Responsibility at G+D

| Focus/Activity | Progress/Outlook | Status/Goal | GC Principles ¹ |
|--|--|--|----------------------------|
| CR Strategy | | | |
| Materiality analysis | Review of existing CR action areas through internal survey and comparison with customer requirements in Q3–Q4/2017. Outcome: focus CR-related activities on employees, climate and environmental protection, and supplier management. Based on this, development of future CR strategy as a guiding framework for the entire Group | Process for designing strategic CR framework has started; clarification and definition of specific targets in 2018 | |
| Employee Awareness | | | |
| G+D Award with “Best Sustainability Measure” category | Group-wide prize for innovation, technology, and sustainability measures; 2017 “Best Sustainability Measure” awarded for reduction of packaging materials in banknote processing chain between central bank, cash center, and commercial bank. | 12/2017; annual | 7, 8, 9 |
| Reporting | | | |
| UN Global Compact progress report | Seventh report as per UN Global Compact requirements, covering progress in 2017 | Ongoing | |
| G+D Mobile Security: Participation in EcoVadis CSR assessment platform | Annual evaluation of G+D Mobile Security's activities and supporting documentation relating to the environment, working conditions, human rights, fair business practices, and a sustainable supply chain | MS ² in top 20% of suppliers evaluated, annual rating | |
| Action Area: Employees | | | |
| Three-pronged diversity management concept | Selected activities relating to age, gender, and cultural diversity | | 1, 2, 6 |
| Demographic change | Measures aimed at recruiting and retaining young talent, specialist staff, and managers for G+D, such as talent programs/reviews | Ongoing | 1, 2, 6 |
| | Initiatives to recruit and retain young talent, such as Girls' Day 2017, Deutschlandstipendium Scholarship Program | Ongoing | 1, 2, 6 |
| | Dual master's study program | Ongoing | 1, 2, 6 |

¹ See table “10 Principles of the UN Global Compact” on page 15

² MS=Giesecke+Devrient Mobile Security GmbH

| Focus/Activity | Progress/Outlook | Status/Goal | GC Principles ¹ |
|--|--|---|----------------------------|
| Gender/equal opportunities for women | Female quota for G+D GmbH: 10% of managers in top tier below Management Board; 20% in second management tier | Target achieved in 2017 for top management tier at 13%, 18% in second management tier | 1, 2, 6 |
| | Continuation of gender-sensitive approach to assessing potential in talent management and recruiting | Ongoing | 1, 2, 6 |
| 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 |
| | Hackathon internal digital initiative with international mixed teams | Established 2017; held twice a year; continuation in 2018 | 6 |
| Talent management at both the global and business unit level | Following changes to Group structure, realignment of internal program for systematic identification and development of high-potential employees. In addition to main program, focus specifically on staff development requirements in individual business units | Group-wide program and planning of specific programs for MS, CT ³ , and Veridos. 12/17: nomination process started. 05/2018: Potential analysis | 1, 2, 6 |
| Group Graduate Program | International Group Graduate Program for five trainees | By 05/2018 | 1, 2, 6 |
| Training program for managers | Communication of management principles based on the new G+D values; leadership training for an increasingly digitized workplace | Planning under way; start mid-2018 | 1, 2, 6 |
| Encouraging a healthy work/life/caregiving balance | "berufundfamilie" certification in accordance with follow-up procedure (highest audit level), with inclusion of the Leipzig printing site in the 10/2016 audit; confirmation that the operational measures adopted or updated are embedded in HR policy and are being rolled out in Leipzig | Measures ongoing until 10/2019, including review and adjustment of shift system at Leipzig printing site; extension of option to work from flexible locations in 2018 | 6 |
| Health management and promotion | Certification of all major sites to OHSAS 18001; provision of medical check-ups at various subsidiaries, e.g. Spain and India. G+D GmbH: expansion of workplace medical services and occupational health scheme; pilot project carried out on risk assessment of psychological stress. Ergonomics advisers, continuing education program, e.g. stress management, resilience training, ergonomics, back exercises, inclusion of health management as an objective in the framework for the berufundfamilie audit | Independently certified management systems in business units and Corporate Center from 2018 onwards berufundfamilie certificate ongoing until 10/2019; measures from pilot project on risk assessment of psychological stress implemented, including adapting the work environment. | 6 |

¹ See table "10 Principles of the UN Global Compact" on page 15

³ CT=Giesecke+Devrient Currency Technology GmbH

| Focus/Activity | Progress/Outlook | Status/Goal | GC Principles ¹ |
|---|---|---|----------------------------|
| Reintegration management program | G+D GmbH: program for reintegration management (after sick leave) in accordance with legislation. Process established, preventative healthcare measures developed. Close coordination between reintegration management and the operational analysis and assessment board (occupational health and safety); training of reintegration team as Certified Disability Management Professionals (CDMP) | Ongoing | 6 |
| Workplace 2020 | G+D GmbH: modernization of office/working environment. 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 | Since 2016; new working environment for R&D MS in 2017; ongoing | |
| Action Area: Environment | | | |
| Management system for planning and implementing sustainability measures | Central standards combined with decentralized responsibility: practical implementation of activities, objectives, and measures is the responsibility of the individual business units as of 2018. Centrally defined sustainability indicators in line with GRI standard (energy, CO ₂ emissions, water, effluents, waste, workplace accidents, work days lost, etc.); information gathered across Group using SoFi software tool | Centralized management of standards; implementation became the responsibility of the individual business units in 2018 | 7, 8, 9 |
| Certification to ISO 14001 and OHSAS 18001 | Certified environmental, health and safety management system at all relevant production sites per business unit | Decentralized management systems in new corporate structure; certification in accordance with the revised ISO 14001:2015 standard in MS, CT, and Corporate Center in Q1/Q2 2018 | 7, 8, 9 |
| ISO 50001 certification at CT | Certified energy management system for paper mills in Louisenthal and Königstein and at the Leipzig printing site | Strategic energy target for Louisenthal 2017–2021: reduce energy requirements and CO ₂ consumption by 17% compared with base year 2010. 2017: 11% achieved | 7, 8, 9 |
| Corporate carbon footprint (CCF) | Generate CCF 2017 for relevant production locations (for entire Group, with ability to break down by business unit). Greenhouse gas emissions reported in line with Greenhouse Gas Protocol. Product carbon footprint (MS): product-related CO ₂ footprint for cards manufactured at three different European sites | Annually; climate protection strategy/ environmental objectives formulated as framework for business units in 2018 | 7, 8, 9 |

¹ See table "10 Principles of the UN Global Compact" on page 15

| Focus/Activity | Progress/Outlook | Status/Goal | GC Principles ¹ |
|--|---|--|----------------------------|
| Conserving resources in production and site operation (selected examples) | <p><i>Louisenthal (Germany) paper mill:</i> Electroplating: hazardous substance potassium dichromate replaced by sodium hydroxide in embossing tool production in the foil facility, FSC certification for security paper production, phased development of heat recycling network using waste heat from the production process for climate control of buildings, own hydroelectric system</p> <p><i>G+D MS Australia</i> (savings in card production): color printing reduced by 10%, recycling of co-mingled waste increased by up to 40%, 800 kg of special topping foil for cards recycled</p> <p><i>G+D India (CT):</i> Switch to digital documentation, e.g. for contracts or service reports for customers</p> <p><i>Munich:</i> Taking sustainability into account during upgrading work (e.g. switching to LED lighting)</p> | Ongoing | 9 |
| EU Energy Efficiency Directive | Implementation at all European locations and performance of energy audits at sites without ISO 50001 certification | Completed at Veridos 12/17; to be completed at Munich site Q1/2018 | 8, 9 |
| Environmentally friendly products | Development/supply of environmentally friendly products, e.g. card bodies made of renewable PLA (polylactid acid); SIM cards in various form factors that use less material; banknote paper made using organically grown cotton comber noil 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; Munich climate pact since 2016, including advice on corporate mobility management; energy efficiency networks initiative; two trainees attended "energy scout" course offered by Chamber of Trade and Commerce | Ongoing | 8 |
| Employee information and awareness | E-learning on occupational health and safety/ fire safety for Munich site | 2018: Participation in Sustainability Action Days planned | 8 |
| Other activities | Munich: installation of beehives to support biodiversity; Mexico: employee reforestation project near Mexico City | Ongoing | 8 |

¹ See table "10 Principles of the UN Global Compact" on page 15

| Focus/Activity | Progress/Outlook | Status/Goal | GC Principles ¹ |
|--|---|--------------------------------|----------------------------|
| Action Area: Compliance/anti-corruption | | | |
| 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 |
| Group restructuring | Adjustment of compliance management system (CMS) and compliance organization in line with restructuring of Group, including adaptation of all compliance-relevant management documents | Largely completed | 10 |
| Corporate instruction on compliance | Description of new CMS including all guidelines and regulations, as well as compliance organization in new Group structure | 2017, ongoing | 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 coordination and agreement within the new compliance organization following restructuring of the Group and enhanced compliance monitoring at local level. | Ongoing | 10 |
| 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 British Modern Slavery Act | Published 07/2017 | 1–6, 10 |
| Whistleblowing | Introduction of a web-based, Group-wide reporting system for compliance violations | Implemented since 10/2017 | 1–6, 10 |
| Banknote Ethics Initiative (BnEI) | G+D a founding member; in 2017, in new company structure, audit of G+D Currency Technology GmbH subgroup by independent auditor and accreditation for a further three years | Completed 10/2017 | 10 |
| CMS audit | Compliance management system audit in line with Assurance Standard 980 of the German Institute of Public Auditors | CT 2017; MS 2018, Veridos 2018 | 10 |
| Business partner evaluation | Review and adaptation of processes for business partner evaluation based on risk-oriented best practice in conjunction with a law firm | Largely completed | 1–6, 10 |
| Sustainable Supply Chain | | | |
| Corporate procurement handbook | Inclusion of environmental criteria in supplier selection process | Q1/2018 | 1–10 |
| Supplier self-disclosure (CT and MS) | Extension of supplier self-disclosure (supplier questionnaire) to include environmental and social aspects | Q1/2018 | 1–10 |

¹ See table "10 Principles of the UN Global Compact" on page 15

| Focus/Activity | Progress/Outlook | Status/Goal | GC Principles¹ |
|---|--|--------------------|----------------------------------|
| Supplier audits (CT and MS) | MS: audit of 20–30% of active A and B suppliers. CT: audit of approx. 5–10% of active A and B suppliers. Expansion of audit plan and corresponding checklist to include sustainability issues | From 2018, annual | 1–10 |
| Group-wide supplier assessment also via business partner evaluation | Results of compliance management system audit in accordance 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 |
| MS: Bill of material (BOM) check for 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 | 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 Asia in partnership with the Goethe Institute, an alumni program since 2016, various other projects | Ongoing | |
| Corporate volunteering program | Volunteering program (launched in 2012) involving social projects, such as construction work and meeting events, as well as participation in My Finance Coach project designed to teach schoolchildren how to manage money responsibly | Ongoing | |

¹ See table below “10 Principles of the UN Global Compact”

10 Principles of the UN Global Compact

| | |
|---------------------|--|
| Principle 01 | Businesses should support and respect the protection of internationally proclaimed human rights. |
| Principle 02 | Businesses should make sure that they are not complicit in human rights abuses. |
| Principle 03 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. |
| Principle 04 | Businesses should uphold the elimination of all forms of forced and compulsory labor. |
| Principle 05 | Businesses should uphold the effective abolition of child labor. |
| Principle 06 | Businesses should uphold the elimination of discrimination in respect of employment and occupation. |
| Principle 07 | Businesses should support a precautionary approach to environmental challenges. |
| Principle 08 | Businesses should undertake initiatives to promote greater environmental responsibility. |
| Principle 09 | 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. |

