

GIESECKE+DEVRIENT

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2016

This is the Giesecke+Devrient (G+D) modern slavery and human trafficking statement for the financial year ending 31 December 2016 published pursuant to section 54 of the UK Modern Slavery Act 2015 (MSA).

This statement sets out steps taken by the Giesecke+Devrient Group which fall within the scope of section 54(2) of the MSA to prevent modern slavery and human trafficking in its business and supply chains. It has been approved by the boards of directors of each of these companies.

OUR BUSINESS, STRUCTURE AND SUPPLY CHAINS

Giesecke+Devrient (G+D) is a global security technology group headquartered in Munich, Germany. Founded in 1852, the group has a workforce of 11,300 employees and generated sales of approximately EUR 2,1 billion in the 2016 fiscal year. 72 subsidiaries and joint ventures in 32 countries ensure customer proximity worldwide.

G+D develops, produces, and distributes products and solutions in the payment, secure communication, and identity management sectors. G+D is a technology leader in these markets and holds a strong competitive position.

G+D's product and service supply chains are extensive, global and comprises raw material, semi-products and finish products. G+D's customer base mainly comprises central and commercial banks, mobile network operators, business enterprises, governments, and public authorities.

[Further details can be found at: https://www.gi-de.com/en/about_g_d/company/company.jsp]

OUR VALUES AND POLICIES

For Giesecke+Devrient, social responsibility is a fundamental part of day-to-day business. Our policies and standards of conduct are derived from our corporate values: Trust, quality, sustainability, responsibility and integrity.

We have underlined our commitment to these values by participating in the [UN Global Compact](#). The UN Global Compact's ten principles advocate responsibility in areas including human rights and labour standards. G+D is committed to implementing these principles in practice.

G+D's internal policies include our [Code of Conduct](#) which confirms that we:

- Respect the personal dignity, privacy and human rights of every individual; and
- reject the use of child or forced labour and will not tolerate any working conditions or ways or treating employees that violate international agreements such as the Universal Declaration of Human Rights or International Labor Organization (ILO) standards.

We expect all of our suppliers to share these principles which are expressed in our Supplier Conduct Principles and which comprise an important component of supplier selection and evaluation.

The Supplier Conduct Principles prohibit suppliers from using:

- Forced or compulsory labour: The supplier must ensure that the work relationship is freely chosen and free from threats. All workers must be free to leave their employment/work after giving reasonable notice. Workers must not be required to lodge deposits or money, identity papers or similar.
- Child labour (as defined by the ILO Minimum Age Convention): If any child is found working at the premises of a supplier, immediate steps must be taken to address the situation in accordance with the best interests of the child. The supplier must also ensure that no person under the age of 18 performs any hazardous work.

STEPS TO ASSESS AND MANAGE RISKS

G+D has an effective, well-functioning compliance management system in place to address ethical risks. This was certified by two external audits:

- IDW PS 980
- Audit carried out by the Banknote Ethics Initiative (BnEI)

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 ethical and human rights considerations. We check that suppliers are complying with our requirements by carrying out regular audits.

Many of our security technology products contain metals that are extracted from ore. The mining of these materials raises potential human rights risks. Accordingly, we have introduced systematic reporting to ensure responsible handling of these materials. 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, thus creating the transparency required within our own supply chain. Our procedure complies with the requirements of the US Dodd-Frank Act. We will continue to work to map and understand our supply chain.

TRAINING

Our employees take part in extensive e-learning programmes on compliance related topics, including on the Code of Conduct.

For our UK based staff the government's 24-hour modern slavery public telephone helpline is available at 0800 0121 700.

OUR EFFECTIVENESS IN ELIMINATING SLAVERY AND HUMAN TRAFFICKING

The nature of modern slavery and human trafficking risks is not static. We will continue to review and develop the effectiveness of the measures we take in ensuring that there is no modern slavery or human trafficking in our supply chains, and we will use this to inform about the development of our policies and procedures.

Signed

A handwritten signature in blue ink, appearing to read 'Ralf Wintergerst', with a stylized, cursive script.

Ralf Wintergerst
CEO

Giesecke & Devrient GmbH
June 12, 2017