



Giesecke+Devrient

# Modern Slavery and Human Trafficking Statement 2019-20

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This is the Giesecke+Devrient (G+D) modern slavery and human trafficking statement for the financial year ending 31 December 2019 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.

## Our Business, Structure and Supply Chain

Giesecke+Devrient (G+D) is a global security technology group headquartered in Munich, Germany. Founded in 1852, the Group has a workforce of 11,500 employees and generated sales of approximately EUR 2.45 billion in the 2019 fiscal year. Our 76 subsidiaries in 33 countries ensure customer proximity worldwide.

G+D develops, produces, and distributes products and solutions for secure payment, connectivity, identities and digital infrastructures. G+D is a technology leader in these markets and holds a strong competitive position. The Group's customer base mainly comprises central and commercial banks, mobile network operators, business enterprises, governments, and public authorities.

G+D's product and service supply chains are extensive, global and comprise raw material, semi-finished and finished products.

## Our Values and Policies

For Giesecke+Devrient, corporate responsibility is a fundamental part of day-to-day business. Our policies and standards of conduct are derived from our corporate values. We have underlined our commitment to these values by participating in the UN Global Compact since 2010. The UN Global Compact's ten principles advocate responsibility in areas including human rights and labor standards. G+D is committed to implementing these principles in practice.

G+D's internal policies include our company-wide 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 labor 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.

Accordingly, the supplier shall keep itself informed about and shall observe the G+D Code of Conduct. The supplier warrants that its supplies and services conform to all relevant statutory requirements at the time of delivery.

In addition, we have other formal policies intended to promote ethical and legally compliant business conduct. Policies contributing to our commitment to prevent violations of human rights such as modern forms of slavery in our business include:

- Statement of Principle on Human Resources Policy
- Statement of Principle on Corporate Social Responsibility and Sustainability

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- Corporate Instruction: Purchasing

We expect all of our suppliers to share the principles which are expressed in our formal policies and Group-wide procurement standards and which comprise an essential component of supplier selection and evaluation.

They prohibit suppliers from using:

- Forced or compulsory labor: 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 labor (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. The system is certified by external auditors. Corporate Auditing department ensures that we adhere to our principles and guidelines.

Across the Group, we have a reporting system in place for potential compliance violations in the form of an Internet-based whistleblowing tool which can also be used by external parties. In addition we encourage selected suppliers to set up their own whistle blowing mechanism and tools.

For our suppliers we set the same high standards that we apply to ourselves. We operate a supplier policy and maintain a preferred supplier list. We conduct due diligence on all relevant suppliers before allowing them to become a preferred supplier. This due diligence includes a reasonable online investigation to validate that a particular organization has never been convicted of offenses relating to modern slavery. Suppliers undergo a selection process that examines a range of criteria including ethical and human rights considerations. We verify and ensure 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.

## Training

We use prevention and staff awareness strategies to actively avoid compliance breaches occurring in the first place. Our employees take part in extensive e-learning programs on compliance related topics, including our Code of Conduct. We regularly conduct training for our procurement/buying teams so that they understand the signs of modern slavery and what to do if they suspect that it is taking place within our supply chain.

The topic of safety at work will be brushed up within annual instructions and trainings. These instructions will be reviewed by external auditors. Additionally, all contractual requirements including labor conditions are refreshed during annual trainings - explicitly for the buying teams.

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 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 business activity and supply chains.

In 2019, G+D has established a team that specializes in CR to ensure that measures against modern slavery and human trafficking are effectively taken in our business activity and supply chains. A requirement for relevant suppliers includes the compliancy on G+D's Code of Conduct and audits for critical suppliers with a reference to SMETA 4-Pillars audit scope (at a minimum). The areas audited include labor standards, health and safety, and environmental management systems.

At the end of 2019, we have seen critical suppliers completing the social standard audits conducted either by the G+D CR team or with an accredited 3<sup>rd</sup> party audit firm.

With the evolving business activities in the current business year, G+D shall continuously ensure that all current suppliers and new suppliers are meeting the human rights and social standards requirement. This will be done by engaging with discussions, and audits with the suppliers. Furthermore, the requirements for compliance with human rights and social standards will be taken into account in the Group-wide integration of a Supplier Management Portal. The project has already started.

G+D is committed to transparency in its approach to respecting human rights. We will continue to use this annual statement as a means of information regarding the development of our policies and procedures in preventing modern slavery and human trafficking.

This statement was approved by the Giesecke+Devrient Management Board



Ralf Wintergerst  
Chairman of the Management Board, Group CEO

April 2020