



**Giesecke+Devrient**

**Policy statement on  
the human rights  
strategy of the G+D  
Group**

## Our strategy in terms of compliance with human rights and environmental due diligence obligations

Policy statement in accordance with Section 6 (2) of the German Supply Chain Due Diligence Act (LkSG)

### 1. Foreword

As a global security-tech company with the ambition to create trust worldwide through our innovative security solutions, we are convinced that sustainable action creates measurable value for both society and the company.

Sustainability is defined as a central task at Giesecke+Devrient ("G+D") and we have set ourselves a far-reaching target: We want to become a leader in our markets when it comes to ecological and social issues and contribute to a healthy environment and a society worth living in by acting responsibly.

Our strategy is based on three pillars: Environment, Social, Governance (ESG criteria).

In the environment area, we bundle our commitment to climate and environmental protection and the conservation of resources in order to reduce our ecological footprint. To this end, we have set ourselves clear, measurable targets – for the areas including climate, water and waste. In addition, we will make our product portfolio even more sustainable and "greener" in future. The development and use of sustainable technologies is a central field of action in this regard. The social area includes, in particular, health and safety at work as well as diversity, equality and belonging. We expressly oppose discrimination and/or harassment of people based on certain characteristics, personality traits and realities of life. We promote diversity in all its forms and create an equitable and inclusive working environment that is free from prejudice, discrimination and harassment.

The governance area deals with responsible and sustainable corporate management. In addition to sustainable investments and business models, the focus here is on digital responsibility, data protection, ecologically and socially sustainable supply chains and the integrity of our daily actions. Our

ambition in this area is, in particular, to ensure compliance with human rights and environmental obligations along our supply chain. The newly created Human Rights Management System at G+D is an integral part of our corporate governance. In order to achieve our sustainability goals, we have developed specific targets as part of our sustainability strategy, and we measure their success based on key performance indicators. We also expect our suppliers and business partners to support us in this and to comply with environmental, social and governance standards.

With the Human Rights Management System, the G+D Group has developed a uniform Group-wide strategy with the procedures described below for compliance with human rights and environmental due diligence obligations in its own business field and in its own supply chains. It applies to all G+D Group companies in which G+D GmbH directly or indirectly holds a majority interest. The strategy and the procedures described below are identical throughout the Group. secunet Security Networks AG issues its own policy statement on its human rights strategy.

## **2. Commitment to respecting human rights and the associated environmental standards**

For us at G+D, respect for human rights is an integral part of responsible corporate governance.

As a signatory to the UN Global Compact since 2010, G+D has committed itself to upholding human rights, respecting the rights of employees and their representatives and protecting the environment. We also support the 17 UN Sustainable Development Goals.

This statement incorporates and supplements the principles of our Group-wide [Code of Conduct](#).

Our Code of Conduct specifically anchors the topics of appreciation and respect, diversity, inclusion and equal opportunities, as well as the comprehensive level of occupational safety and health within our corporate culture. Among other things, our G+D corporate principles specifically address the main duties under the German Supply Chain Due Diligence Act. A chapter of

the Code of Conduct has been implemented specifically in terms of due diligence obligations for this extended scope of duties with regard to compliance with human rights and social standards. Respecting and protecting human rights and complying with global social standards are among our core values.

At G+D, we are committed to complying with national and international labor and social standards. These include, among other things:

- The Universal Declaration of Human Rights of the United Nations (UN)
- The UN Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises
- The Fundamental Principles of the International Labor Organization (ILO)
- The UK Modern Slavery Act

G+D also expects its business partners, in particular its direct suppliers, to comply with the aforementioned labor and social standards. G+D therefore ensures that human rights and social standards, as well as the associated environmental rights, are observed both when selecting suppliers and in ongoing business operations.

### **3. The G+D Human Rights Management System**

In order to protect human rights and social standards and the associated environmental rights, G+D has introduced a Group-wide risk management system (called the Human Rights Management System (HRMS)), appointed Human Rights Officers<sup>1</sup> to perform the monitoring function and implemented the following measures:

#### **3.1 Risk management and responsibilities**

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<sup>1</sup> For ease of reading, gender-specific formulations will be avoided where possible. The use of a gender-specific formulation does not imply any restriction to a specific gender.

The responsibilities in the Human Rights Management System are clearly defined at G+D:

The Group Management Board bears overall responsibility for the G+D Human Rights Management System and the development of Human Rights Management within the Compliance organization.

The global G+D Compliance organization is headed by the Group Chief Legal & Compliance Officer. This individual also holds the role of Group Human Rights Officer and reports directly to the Chair of the Management Board.

The Group Human Rights Officer monitors whether an appropriate and effective HRMS is implemented throughout the Group and adapted to changing legal and business requirements. This individual reports annually on the HRMS of the G+D Group and, if necessary, to the G+D GmbH Management Board on an ad hoc basis.

The Corporate Compliance Office in the holding company Giesecke+Devrient GmbH has a global control function and is managed by the Head of Corporate Compliance. The Head of Corporate Compliance manages the G+D Compliance/HRMS organization both professionally and operationally. The G+D Compliance/HRMS organization consists of the Compliance Offices of the G+D subgroups and their Local Compliance Officers appointed for all companies and regions worldwide. The Compliance Offices of the G+D subgroups are each headed by Chief Compliance Officers, who also perform the role of Human Rights Officers.

The Human Rights Officers of the subgroups are responsible in particular for monitoring whether the departments implement the LkSG due diligence requirements. They also advise the departments and make recommendations. They report annually on the HRMS of the respective subgroup and, if necessary, to the respective Management Board of the subgroup and to the Group Human Rights Officer of G+D GmbH.

Cross-functional teams work closely together to design suitable preventive measures and countermeasures. These teams consist of compliance/HRMS

experts as well as the operational purchasing departments and – depending on the situation or topic – other departments.

The relevant departments are responsible for complying with and effectively implementing the human rights and environmental due diligence requirements in accordance with the German Supply Chain Due Diligence Act (LkSG due diligence requirements) and for implementing and tracking measures

If necessary, "LkSG committees", consisting of the responsible Human Rights Officer and the responsible contact(s) from the relevant departments, coordinate further steps on an ad hoc basis.

### **3.2 Risk analysis**

G+D sees compliance with the LkSG due diligence requirements as a continuous process. Risk analyses are therefore carried out on an ongoing and ad hoc basis and the Management Boards are informed of the results at least once a year or on an ad hoc basis.

#### **3.2.1 Ongoing risk analyses**

Risk analyses are carried out at least once a year to identify potential and actual negative impacts on human rights and the environment in G+D's own business field and at direct suppliers.

#### **3.2.2 In G+D's own business fields**

The risk analysis is carried out by the responsible departments in their own business field. The responsible Human Rights Officers monitor implementation of the risk analysis and provide advice.

The risk analysis is carried out in a self-disclosure procedure performed by the departments (e.g. Sustainability, Human Resources, etc.) with the aid of topic-specific questionnaires. Due to the large number of G+D companies, a software solution is used to support this process. In addition, experience with department-specific risk scenarios as well as findings from audits carried out and information from the G+D whistleblower and complaints procedure are

taken into account. The evaluation of the results, weighting and prioritization of the identified risks and documentation are carried out by the responsible departments.

A software solution for all G+D companies is also used to carry out daily Internet screenings for potential human rights and environmental risks (critical news monitoring). This involves checking social media, the news and other information available on the Internet to see whether there are any negative reports concerning G+D companies. The responsible departments at G+D are automatically informed of any reports, check them and take any necessary follow-up measures.

### **3.2.3 For direct suppliers**

The risk analysis for direct suppliers is carried out by the Purchasing department. The responsible Human Rights Officers monitor implementation of the risk analysis and provide advice.

Due to the large number of G+D's direct suppliers, it is necessary to make a selection based on an appropriate, risk-based approach. Here, we take a closer look at the direct suppliers where G+D has a certain degree of influence due to its market position. In this way, priority is given to identifying those risks where the influence of G+D can be utilized. This approach is reviewed on a regular basis.

In addition, the abstract risk is determined based on a supplier's respective country and sector risk. Various recognized indices that have been analyzed in detail are used to determine the country and sector risk. The results of the abstract risk analysis are then evaluated and risks are weighted and prioritized.

The abstract risks are substantiated through a detailed risk analysis and actual risks are determined. For this process, direct suppliers complete a self-disclosure procedure with the aid of topic-specific questionnaires. Due to the large number of G+D's direct suppliers, a software solution is used to support this process. In addition, experience from the business relationship with the supplier to date as well as findings from audits carried out, information from

the G+D whistleblower and complaints procedure and implementation monitoring are taken into account. The evaluation of the results, weighting and prioritization of the identified risks and documentation are carried out by the Purchasing department.

After evaluating the results, any necessary preventive and remedial measures are determined by the relevant department, taking into account the severity and probability of occurrence as well as the ability to influence and contribute to the cause. The responsible Human Rights Officers or their employees are on hand to provide advice. If necessary, further steps are coordinated in the LkSG Committee.

The results of the risk analysis are taken into account for the commencement or further cooperation with the suppliers. They also serve as a basis for adapting internal regulations, processes and training at G+D if necessary. The results are taken into account in subsequent risk analyses.

Critical news monitoring is also carried out on an ongoing basis throughout the year for G+D's direct suppliers with regard to potential human rights and environmental risks.

#### **3.2.4 Ad hoc risk analyses**

In addition, ad hoc risk analyses are carried out if G+D has to expect a significantly changed or significantly expanded risk situation in the supply chain (e.g. in the event of changes or restructuring of G+D's business activities).

### **3.3 Preventive and remedial measures**

#### **3.3.1 Preventive measures**

The aim of preventive measures is to minimize potential risks to people and the environment and to identify and prevent injuries at an early stage.

##### **3.3.1.1 In our own business field**



In our own business field, the LkSG due diligence requirements were taken into account in existing processes and, where applicable, in the corresponding internal guidelines.

The G+D Code of Conduct is the G+D constitution that applies to all G+D employees. It is based on the fundamental values and principles of G+D and forms the guideline to which all employees are guided in their business activities. All G+D employees are obliged to comply with all relevant laws and legal regulations, internal guidelines and provisions as well as ethical business practices and conduct with integrity. In particular, G+D respects the protection of human rights, does not tolerate harassment or discrimination, implements occupational health and safety regulations and fulfills its responsibility to protect the environment. All employees at G+D have been and all new employees will be trained on the content of the Code of Conduct as part of the recruitment process.

Regular employee training, particularly in the areas of human rights, purchasing and sustainability, ensures a high level of quality in the implementation of G+D's human rights strategy. Due to their relevant position in relation to G+D suppliers, employees from the Purchasing department are also trained on human rights and sensitized to the relevance of the topic in addition to processes, purchasing practices and procurement strategies.

Adherence to processes is checked annually and on an ad hoc basis using a risk-based spot check approach and is covered in internal audits.

#### **3.3.1.2 For direct suppliers**

When selecting a direct supplier, G+D applies strict criteria and takes into account specific human rights and environmental risks, among other things.

For existing suppliers, as long as the business relationship continues to the relevant extent, G+D ensures compliance with human rights and environmental standards through ongoing risk analyses, continuous critical news monitoring and consideration of reports from the G+D whistleblower and complaints procedure.

The consideration of human rights and environmental risks in the selection process and with existing suppliers is set out in G+D's Group Purchasing instruction and employees from the Purchasing department are trained accordingly.

G+D's expectations of its suppliers are also set out in the G+D Supplier Code of Conduct. Suppliers undertake to comply with national and international human rights and environmental standards as well as other compliance requirements. G+D also expects its direct suppliers to take appropriate measures with regard to their subcontractors to ensure that they also comply with the principles. In addition, G+D and the suppliers agree to implement risk-based control measures. The G+D Supplier Code of Conduct is agreed with direct suppliers, taking into account risk criteria and market position, and is published on the G+D website in German, English, Arabic and Chinese (Simplified). It is also an integral part of G+D's General Terms and Conditions of Purchase.

#### **3.3.4 Remedial measures**

If it becomes apparent that a breach of an LkSG due diligence requirement is imminent or has already occurred in G+D's own business field or at a direct supplier, G+D shall immediately take appropriate remedial measures to work towards preventing or ending the breach or minimizing the extent of the breach.

The content of the measures to be taken depends on the individual case, such as the type and severity of the impending or actual breach and, in the case of suppliers, the respective ability to exert influence, legal limitations and any contribution to causation by G+D.

##### **3.3.4.1 Own business field**

In its own business field, the respective department shall take appropriate remedial measures to prevent or end the violation.

##### **3.3.4.3 Direct suppliers**

G+D has drawn up a non-exhaustive catalog of remedial measures for violations at direct suppliers. This is used to check

which remedial measures may be promising in individual cases. Communication with the supplier is always initiated first in order to develop a joint solution. If this does not remedy the situation, a corresponding improvement plan is drawn up containing a specific timetable, measures and responsibilities. Other measures that may be considered include conducting audits, temporarily suspending the supply relationship and, as a last resort, terminating the business relationship.

#### **3.3.4.4 Indirect suppliers**

If G+D receives substantiated information about indications that an indirect supplier may have violated a human rights or environmental obligation, G+D will examine these indications and carry out a risk analysis in accordance with the procedures described above and, if necessary, take appropriate remedial and preventive measures.

### **3.4 Effectiveness check**

The effectiveness of G+D's HRMS described above is reviewed annually and on an ad hoc basis using a risk-based spot check approach and adjusted if necessary.

Among other things, the results of previous risk analyses and audits carried out as well as findings from G+D's whistleblower and complaints procedure and critical news monitoring are taken into account.

### **3.5 Whistleblower and complaints procedures**

G+D has set up a whistleblower and complaints procedure that is available to all G+D employees and external persons (e.g. employees of suppliers).

Complaints can be submitted in writing or verbally via the electronic G+D whistleblowing tool "Tell G+D" or by post, e-mail or in person to the Corporate Compliance Office of G+D GmbH (also anonymously). G+D employees can also contact their superior or the (Local) Compliance Officer at any time.

Violations of human rights, environmental, health and safety regulations and other serious violations can be reported in this way. All information is treated confidentially and only passed on to those people who need to know in the

context of the investigation or the subsequent follow-up measures. If possible, the person providing the information will receive confirmation of receipt no later than seven days after submitting the information. The reporting office then checks whether all the information required for further processing of the matter is available and the matter is investigated in detail. If a (potential) violation has been identified by the competent reporting office on a case-by-case basis, the competent reporting office will develop appropriate follow-up measures and, where possible, involve the whistleblower and their expectations.

The relevant decision-makers are informed regularly or on an ad hoc basis about complaints received.

Findings from the complaints procedure are taken into account when reviewing the effectiveness of the HRMS and for further preventive measures in order to prevent future risks and violations.

### **3.6 Documentation and reporting**

The responsible departments document all activities relating to the LkSG due diligence requirements. The documentation is stored for at least seven years from the date of creation. The Human Rights Officers monitor compliance with the documentation obligations.

G+D reports annually on the fulfillment of the LkSG due diligence requirements in the report pursuant to Section 10 (2) LkSG. The report will be publicly available on the G+D website. Among other things, the G+D Code of Conduct, explanations of the complaints procedure at G+D (and the possibility of lodging a complaint) and the G+D Supplier Code of Conduct are already available there.

This policy statement is communicated internally and externally and is also publicly accessible on the G+D website.

## **4. Human rights, social standards and environmental rights of particular relevance to G+D**

As a manufacturing company with international locations and a large number of suppliers and other business partners, our activities are inherently associated with risks for people and the environment. We are aware of this and counter them with risk-based preventive and remedial measures.

We recognize the need for specific action based on the risks identified and prioritized as part of our risk analysis. Below, we describe our main risks based on an abstract risk analysis. We update these regularly and report here as soon as there are any substantial changes in the risk situation.

### **Occupational health and safety / working hours**

- *Challenge:* The activities of our employees, suppliers and business partners result in comprehensive requirements for occupational health and safety.
- *Potentially affected persons:* The employees of the G+D Group as well as employees of suppliers and business partners
- *Measures:* The health and safety of all employees is a top priority at G+D. The principle applies that working hours must comply with the respective local legal requirements or the respective industry standards. Within the framework of the applicable law, G+D shall ensure that safe and healthy working conditions prevail, that work breaks and an appropriate limitation of working hours are guaranteed and that the applicable international standards on working hours, but at least the relevant ILO conventions at the place of employment, are complied with. This also the case if it is at the expense of G+D's productivity or turnover.
- These stipulations can also be found in the G+D Code of Conduct and in the relevant guidelines.
- G+D expects all suppliers to comply with the standards agreed in the G+D Supplier Code of Conduct and to inform G+D immediately in the event of non-compliance. In particular, G+D expects its suppliers to ensure that working hours comply with applicable laws, industry and international standards. Suppliers have committed themselves to this in the G+D Supplier Code of Conduct.

## Environmental protection

- *Challenge:* Our activities as a manufacturing company and the activities of our suppliers and business partners result in comprehensive requirements for environmental protection and the use of chemicals.
- *Potentially affected persons:* Ecosystem
- *Measures:* G+D expects all suppliers to comply with the standards agreed in the G+D Supplier Code of Conduct and to inform G+D immediately in the event of non-compliance. In particular, G+D expects all suppliers to comply with recognized international environmental protection agreements, such as the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (POPs), as amended, and to operate an effective environmental management system.

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