



Slavery and Human Trafficking Statement 2018

Modern Slavery is a criminal offence under the UK Modern Slavery Act 2015 (*the 'Act'*). It can occur in various forms including servitude, forced or compulsory labour and human trafficking, all of which include the deprivation of an adult or child's liberty by another, collectively called Modern Slavery. Over 40 million people live in some form of Modern Slavery worldwide according to the International Labour Organization (ILO), 25 million of them are victims of forced labour. These inhumane practices should not be tolerated or assisted. Companies can play a major role in preventing Modern Slavery by firmly implementing human rights for all workers along their whole supply chain.

◆ *ZETES is publishing for the first time this statement in accordance with the Act which requires businesses to state the actions they have taken during the financial year to ensure that modern slavery is not taking place in their operations and supply chains. ZETES – in the following statement also referred to as 'we', 'us' or 'our' – is committed to a work environment that is free from Modern Slavery in accordance with the Act, especially Art. 54 'Transparency in supply chains'.* ◆

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Our Business.

ZETES, established in 1984, is a leading international system integrator and technology company offering mobility and value-added solutions in the automatic identification and data capture industries for Goods and People.

These solutions use both emerging and mature technologies (barcode, voice recognition, RFID, smartcards, biometrics) to optimize the business performance of many private and public customers in many market segments. ZETES' supply chain solutions are implemented in various sectors of activity: industry, transportation, logistics, distribution, healthcare, finance, telecommunication, retail, etc.

In our People ID division, we provide governments, public authorities as well as supranational institutions with secure turnkey people identification and authentication solutions (production of eIDs, passports, driving licences, national population register, biometric enrolment, border control solutions, etc).

ZETES is headquartered in Belgium and employs more than 1,200 people in 22 countries across EMEA, wherein our business operations are deployed.

In 2017 we joined the Panasonic Corporation, operating as a wholly-owned independent subsidiary. ZETES is part of the Connected Solutions business unit of Panasonic Corporation. Panasonic Corporation is head-quartered in Japan and is one of the largest electronic manufacturers with 590 consolidated companies located globally.

Together with Panasonic, we are committed to creating 'A Better Life, A Better World', continuously contributing to the evolution of society and to the happiness of people around the world.

Our Supply Chain.

As a global system integration company, we operate a highly complex supply chain, with suppliers located around the globe.

However, the vast majority of our suppliers are regarded as the largest IT tier 1 suppliers and are located either in the USA or in Europe. Moreover, the relationship with our main suppliers has been established over a number of years

and is built upon mutually beneficial factors, where we have close and personal links and contact with the owners or directors.

We recognise that our upstream supply chain does include countries with a higher risk of modern slavery or human trafficking and we expect our suppliers to take the appropriate actions to comply with the Act in respect of their global

supply, especially in higher risk countries. We also recognise that slavery and human trafficking does occur in the USA and Europe.

We operate a zero-tolerance approach to Modern Slavery and we are committed to acting

ethically and with integrity in all our business dealings and relationships and to applying effective systems and controls to ensure Modern Slavery is not taking place anywhere in our own business or in any of our supply chains.

Risk Assessment.

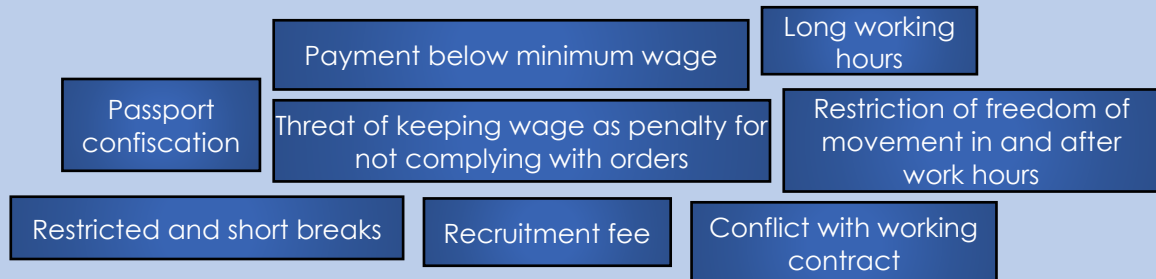
During the past year, we reviewed the risk of modern slavery in our business and supply chain by considering geography, the type of work being carried out and the type of labour being used. Based on this, we believe that the risk of modern slavery in our directly employed workforce is low. This is because our employees are largely educated or skilled, or are undertaking work in controlled environments where there are established policies and processes.

We have, however, recognised the need to better understand the work conditions of our complementary workforce and supply chain. This is especially relevant for labour-intensive activities that carry a higher risk of modern slavery such as catering, cleaning, transportation, warehousing and some types of manufacturing. This will be an area for further analysis over the next year.

Furthermore, ZETES is aware that the risk of Modern Slavery occurring is higher in some regions than in others. This does not mean we neglect our work in the less affected areas, but we prioritise our action towards regions with higher risks. A substantial part of our People ID businesses is carried out in Africa and ZETES contracts from time to time with sub-contractors located in this region. According to the ILO, in Africa region one-fifth of all African children are involved in child labour and about 7.6% of the population were victims of Modern Slavery in 2016. Therefore, we recognise this region is of special attention to us.

Some circumstances present greater opportunities for Modern Slavery to take place, one of them being the exploitation of foreign migrant workers.

In the context of modern slavery, the following human rights and labour violations are likely to occur:



According to the ILO, half of all victims of forced labour are in some kind of debt bondage to their employers or recruitment agencies which makes it impossible for them to leave their job.

We at ZETES do our best to prevent any of these incidents from happening in our business or supply chain. To know the risks to which foreign migrant workers especially are exposed, and which are possible to occur in our supply chain, helps us to keep an eye on our suppliers in regard to any of the violations as listed above.

Our Policies.

Our stance against Modern Slavery works alongside our policies to ensure a responsible supply chain.

Our most important policy is the [Panasonic Code of Conduct](#) which ZETES has fully implemented within its organization. It includes requirements to create a working environment defined by respect and human rights for all ZETES and Panasonic employees. Furthermore, it states that ZETES and Panasonic will not employ people against their will. Our goal is that both everyone working for ZETES and those whose work relates to our company has read the Code of Conduct and acts in accordance with its requirements.

ZETES will, over time, amalgamate other Panasonic policies and procedures with the aim to helping the business better identify and mitigate the risks of Modern Slavery occurring in our supply chain and in verifying the absence of Modern Slavery within our supply chain.

Due Diligence.

In our business and supply chain we strive for a continuous process of tracking and assessing the ongoing performance of our suppliers regarding human rights and labour issues. In a very dynamic and volatile environment it is important to reassess possible risks and respond to changes quickly.

SUPPLIERS

ZETES seeks to work with contractors and suppliers who contribute to sustainable development and are economically, environmentally and socially responsible. ZETES expects contractors and suppliers to obey the national laws and international standards that require them to treat workers fairly, provide a safe and healthy work environment and protect environmental quality.

TRAINING

Employees, as well as suppliers, should understand and follow our values and principles. For that reason, we conduct training for all new permanent staff on our [Code of Conduct](#). This includes face to face as well as online training on the following topics: compliance with local laws, respect for basic human rights with emphasis on not employing persons against their will, and on compliance with local employment laws.

CONTRACTS

When starting business with new suppliers and setting up the supply contract, it is of great importance to include clauses on Anti-Slavery and Human Trafficking in our standard purchase agreements. ZETES is therefore committed, over time, to include these clauses in all our purchasing contracts. Within these clauses, suppliers are also expected to comply with our Anti-Slavery policy and to provide evidence of their compliance when requested.

WHISTLE-BLOWING

We protect whistle blowers by providing an anonymous whistle-blowing hotline for employees which is run by an independent third party. Employees are regularly reminded of the whistle-blowing hotline and are encouraged to use it if they suspect any potentially illegal behaviour or practice.

RECRUITMENT

When recruiting employees, ZETES adopts a perspective of protecting fundamental human rights and engages in recruitment activities that comply with the laws and regulations of the respective countries in which we operate. ZETES prohibits forced labour including child labour. The company does not allow employees under the age of 18 to engage in overtime work and heavy labour, and offers them consideration and support including, as appropriate, the opportunity to receive education.

Follow-up.

Our commitment to preventing slavery and human trafficking is demonstrated by ensuring the continuous review and improvement of our systems and processes. This includes reviewing our existing controls, policies and procedures from a Modern Slavery perspective and considering what changes may be appropriate.

As part of this commitment, we plan to action the following steps over the coming years:

- **ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY** - We will implement in ZETES Group the Panasonic Global Human Rights and Labour Policy. This adherence will reflect our commitment to act ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure Modern Slavery is not taking place anywhere in our supply chains. This policy also covers issues such as working hours, wages, humane treatment, prohibition of discrimination, protection of privacy, concern for the human rights of foreign workers, trainees and younger labourers, the freedom of association and more. This way we will ensure that our business activities contribute to a respectful environment where all employees are treated correctly.
- **STANDARD CLAUSES** - We will strive to include clauses on Anti-Slavery and Human Trafficking in all our purchase agreements to assist in ensuring our suppliers comply with our Anti-Slavery and Human Trafficking policies and to provide evidence of their compliance when requested. We will also work on enforcing these clauses with our sub-contractors in the African region.
- **CORPORATE SOCIAL RESPONSIBILITY (CSR) SELF CHECK QUESTIONNAIRE** – ZETES will be developing a CSR program, which also includes labour practices, with a main objective of being able to manage the impacts of the Group's operations in a responsible manner and to integrate social and environmental factors in our supplier solutions. A number of policies and documents will be developed and implemented to achieve this objective, such as the circulation of a CSR check questionnaire to our suppliers and contractors to ensure compliance with our CSR core values and policies on Anti-Modern Slavery.

This statement is made on behalf of Zetes Industries SA and its subsidiaries, including Zetes (UK) Limited, pursuant to section 54(1) of the Act and constitutes our Group's slavery and human trafficking statement for the financial year ending 31 March 2018.

This statement was approved by the Board of Directors of Zetes Industries SA held on 19 September 2018.

Alain Wirtz
Managing Director
Zetes Group