



Slavery and Human Trafficking Statement 2019

Preamble

Modern Slavery can occur in various forms including servitude, forced or compulsory labour and human trafficking, all of which include the deprivation of a person's (an adult or child's) liberty by another (collectively "Modern Slavery"). The following sets out the procedures Panasonic has put in place with the aim of preventing opportunities for Modern Slavery to occur within our business or supply chain.

In Panasonic we believe that Corporate Business should play a significant role in preventing Modern Slavery by ensuring implementation of human rights for all workers in its whole supply chain.

ZETES is committed to make efforts to confront Modern Slavery at its sites and along its entire supply chain, in accordance with Section 54 of the Modern Slavery Act 2015.

*In the following statement, 'we', 'us' or 'our' refers to the Panasonic Group.
Scope of Reporting - Fiscal 2019 (April 1, 2018 to March 31, 2019)*



<https://pixabay.com/de/illustrations/wasser-wellen-afrika-europa-asien-2091856/>

ZETES published its first Slavery and Human Trafficking Statement in 2018. This second statement demonstrates its concern and continuous intentions to encourage the implementation of Sustainable Development Goals (SDGs). As an international company we understand our responsibility in supporting goal 8 'Decent work and economic growth' and especially target 8.7

Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.



Our Business

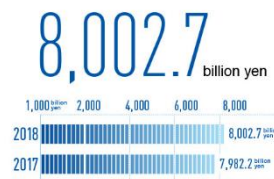


ZETES is part of the global **Panasonic Group**, which is head-quartered in Japan and one of the largest electronic manufacturers globally. ZETES, established in 1984 in Belgium, is a leading international system integrator and technology company offering mobility and value-added solutions in the automatic identification and data capture industries for Goods and People. It employs more than 1,200 people in 22 countries across EMEA, wherein our business operations are deployed. In 2017 ZETES joined the Panasonic Group, operating as a wholly-owned independent subsidiary. ZETES is part of the Connected Solutions business unit.

Number of Consolidated Companies



Net Sales



Global Panasonic Number of Employees



We are committed to creating 'A Better Life, A Better World'. As the key element of this philosophy, we have the basic concept of the "company as a public entity of society." We understand that Panasonic stands at a number of historical turning points in many areas today - society, economy, global environment - so we will continue to incorporate a strong sustainability approach in our management globally and to contribute to the future of society and the world by proposing the lifestyles of tomorrow.

Our business is very diverse and covers different areas among consumer electronics, housing, automotive systems and business solutions. Our operations in these areas are driven by our five key business units:

Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
B2C businesses such as home appliances, beauty, and health, and B2B businesses such as cooling and heating appliances for commercial use, devices, energy etc.	Housing, offices, commercial facilities and smart town, and mobility areas such as bicycles and vehicle interior spaces.	Provides "connected values" to B2B customers in the six priority business segments "Distribution", "Logistics", "Entertainment", "Public", "Avionics" and "Manufacturing".	Vehicle infotainment, in-vehicle electronics, automotive mirrors and motorized systems such as automotive batteries.	Extensive range of solutions in the B2B business areas including electronic components, FA and industrial devices, electronic materials and batteries.



Our Supply Chain

Panasonic globally establishes partnerships with suppliers to respond to production activities on a global scale, and works to create the functions and values our customers demand based on relationships of mutual trust and through diligent studies and cooperation.

Panasonic does business with approximately 10,000 companies worldwide.

Roughly 70% of these business partners are in Japan and China. We promote activities with our global business partners to meet our CSR responsibilities across our entire supply chain.

Our main business focus is the manufacture and provision of electronic products and therefore our supply chain includes the sourcing of raw materials and minerals.

However, as a system integration company, ZETES does not manufacture electronic products, but 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.

Our Policies

Our Code of Conduct includes requirements on ensuring respect for human rights and that Panasonic will not employ people against their will.

Chapter 3: Employee Relations

2 Respect for Human Rights

2.2 The Company will not employ people against their will, and will not use child labour.

The Company will comply with the employment laws and regulations of the countries and regions in which it conducts business.
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➤ Panasonic Code of Conduct, Chapter 3: Employee Relations
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https://www.panasonic.com/global/corporate/management/code-of-conduct/chapter-3.html

Complementing our Code of Conduct is the [statement on our efforts concerning fundamental human rights](#), which 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 ensure that our business activities contribute to a respectful environment where all employees are treated rightfully.

Risk Assessment

The risk that Modern Slavery will occur is thought to be especially high in certain regions of the world.



We are also aware there are greater human rights and labour related risks in areas where migrant foreign workers are widely employed. Panasonic is actively implementing a program of enhanced checks in these regions to ensure compliance with local legislation.

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



Due Diligence

As part of our initiative to identify and mitigate risks, we have taken a number of actions to verify the absence of Modern Slavery in our supply chain.

Recruitment

When recruiting employees, Panasonic adopts a perspective of protecting fundamental human rights and engages in recruitment activities that comply with the laws and regulations of the respective countries. We also prohibit forced labour, labour against the will of any employee, or child labour. In order to prevent child labour, we have built items such as age verification into the "Self-Assessment Checklist", which our operations are asked to use when individuals join the company. The risk that child labour will occur is thought to be especially high in China and elsewhere in Asia, and Panasonic is thoroughly implementing age checks in these regions. The company does not allow employees under the age of 18 to engage in heavy labour and offers them consideration and support so that they may have opportunities to receive education.

Employing Foreign Workers

As there tend to be greater human rights and labour-related risks for migrant and foreign laborers, Panasonic has established items to be checked that include ensuring that Panasonic-affiliated entities are not allowing recruitment/temp agencies to collect any fees and are not retaining workers' passports or identification documents, as well as ensuring that they are providing workers with employment contracts, including terms of employment, in



those workers' native languages. As we recognise the complexity of foreign workers recruitment, Panasonic has been working to enhance our procedures to recruit employees and accepts temporary workers based on the laws and regulations of the respective country, so that no employees are made to work against their will or are unduly subjected to disadvantageous working conditions.

Training

We conduct training for all new, permanent staff on our Basic Business Philosophy and Code of Conduct. This includes training on compliance with laws and a respect for basic human rights with emphasis on not employing persons against their will and on compliance with local employment laws.

Whistle-blowing

We want to ensure our workers can raise any issues safely and feel confident that those issues will be resolved. Thus, we have a protected global whistle-blowing hotline for employees. Employees are regularly reminded of the whistle-blowing hotline and are encouraged to use it if they suspect any potentially illegal behaviour or practice.

Suppliers

Panasonic promotes fair and equal procurement activities based on its [Clean Procurement Declaration](#).

When selecting new suppliers, Panasonic makes it a condition of doing business that the suppliers practice CSR. We conducts checks that encompasses such aspects as human rights, labour, health and safety, protecting the global environment, and information security.

We ask each of our suppliers to agree to our [Supply Chain CSR Promotion Guidelines](#), which is a summary of our management philosophy, CSR procurement policies, and other matters with which we want our suppliers to comply.

Panasonic Supply Chain CSR Promotion Guidelines (Excerpts)

1-1 Prohibition of Forced Labour

Suppliers shall employ all workers of their own free will with no worker being subject to forced labour.

Specific action items

- Suppliers shall not engage in forced, bonded (including debt bondage) or indentured labour, involuntary or exploitative prison labour, slavery or trafficking in persons.
- Suppliers shall not impose unreasonable restrictions on entering or exiting dormitories and workplaces.
- Suppliers shall give written notice to a worker concerning working conditions in the national language of the worker before entering into a definitive agreement (in the case of a foreign worker, before leaving his/her home country) .
- Suppliers shall permit workers to freely terminate their employment.
- Suppliers, manpower supply companies, and staffing agencies shall not retain any government-issued identification card, passport, working permit (except the case where the retention of a working permit is required by law), immigration application, and any other similar document.
- Suppliers, manpower supply companies, and staffing agencies shall not collect any recruitment fee from workers.
- Suppliers shall inform workers of all items deducted from their salaries.
- Suppliers shall request and confirm that manpower supply companies and staffing agencies comply with above items.

For Suppliers



<https://www.panasonic.com/global/corporate/management/procurement/for-suppliers.html>

We also ask our suppliers to perform CSR self-assessments before we start business and enter into a Standard Purchase Agreement with them. This Agreement includes items related to CSR such as human rights, safe working environments, and consideration for the environment.

CSR Self-Assessments for Suppliers

We ask our suppliers to conduct CSR self-assessments. The checklists used for these self-assessments require responses to questions that address all the issues related to modern slavery, including the confirmation of worker ages in order to prevent child labour, prohibitions against the collection of fees or retention of worker passports or identification documents by recruitment agencies, and the requirement to provide employment contracts (including terms of employment) in workers' native languages. In the financial year ending March 2019, we called for CSR self-assessment with about 3,000 suppliers, including new suppliers. When any of a supplier's answers cause concern, we engage with that supplier further and in some cases, conduct site visits to investigate. We discuss the risks that have been identified with the supplier, and when necessary, we also provide support for corrective action plans.

Responsible minerals procurement

With regard to conflict minerals that fund organizations that behave without proper regard for human rights, engage in environmental destruction, practice corruption, and otherwise act unethically in conflict zones; we strive to adhere to the Organization for Economic Cooperation and Development's (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The investigation of conflict minerals, in which Panasonic has long been involved, requires the cooperation of all suppliers, and all the smelters they work with. To reduce the burden on suppliers, and to enhance the efficiency of such investigations, we have found it effective to use common investigating tools and explanatory materials. Based on this position, Panasonic uses, as an investigative tool, the Conflict Minerals Reporting Template (CMRT) issued by the Responsible Minerals Initiative (RMI).

Collaboration and stakeholder engagement

Panasonic engages with its wide range of stakeholders around the world – including customers, investors, suppliers, governments, industry bodies, NPOs, NGOs, local communities and employees – on various aspects of its business. Panasonic incorporates the opinions it receives into its business activities and product creation.

Continuous Improvement Activities for the Future

Complex global supply chains make it difficult to be able to reach out to all workers linked to the supply chain. As it is hard in some countries to find jobs, workers look for work in neighbouring countries. Foreign migrant workers are easily exploited by sub-contractors who hire them.

As countermeasures, Panasonic European Headquarters are developing a 3-year European Procurement Project that will be started by the end of calendar year 2019. With this project we are aiming to further identify and analyse risks, to update policies, procedures and guidelines and to implement these changes accordingly as well as to monitor the process of corrective measures and mitigate risks.



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 2019. This statement has been approved by:

Alain Wirtz
Managing Director
Zetes Group