

Sept 2019

## ZERO TOLERANCE STATEMENT ON SLAVERY AND HUMAN TRAFFICKING

The California Transparency in Supply Chains Act of 2010 and the United Kingdom Modern Slavery Act of 2015 require certain commercial organisations to transparently report their efforts to identify and eradicate slavery and human trafficking in their supply chain. We do not tolerate modern slavery or human trafficking in any form (“Zero Tolerance”). This statement provides an overview of the actions we have taken in the last financial year to verify the absence of forced labor, slavery and human trafficking in our supply chain. Further information is provided in our annual Sustainability Report.

### **Our Requirements**

The Responsible Business Alliance ([RBA](#)) is a nonprofit coalition of electronics companies, committed to supporting the rights and well-being of workers in the global electronics supply chain. As an RBA member, Logitech has adopted the RBA Code of Conduct (“[the RBA Code](#)”), including RBA requirements to prohibit use of forced, bonded (including debt bondage) or indentured labor, involuntary prison labor and slavery or trafficking of persons. As RBA members, we are required to implement management systems to ensure workers’ rights are protected, communicate the requirements of the RBA Code to suppliers and monitor supplier conformance with the RBA Code. We work in partnership with our suppliers to implement the RBA Code as a total supply chain initiative and create an environment where workers have the right to freely choose employment. We collaborate with other RBA members to share best practices and develop and share tools and training materials to ensure effective management of slavery and human trafficking risks.

### **Communicating our Requirements and Raising Awareness**

Our [Company Code of Conduct](#) includes a stated requirement for full compliance with applicable labor and human rights laws. Employees are contractually required to comply with the Company Code of Conduct and complete business ethics induction training and refresher training. We provide targeted training for employees with responsibility for supply chain management to ensure relevant employees can identify supply chain risks and proactively manage any such risks in accordance with our own Company Code of Conduct and the RBA Code.

Compliance with the RBA Code is a contractual requirement of our purchase agreements with Tier 1 suppliers and those suppliers are required to manage their supply chain in accordance with the RBA Code. We raise awareness and provide training to our suppliers at our Supplier Capability-Building Sessions where we also provide a platform for suppliers to share best practices.

### **Managing Recruitment**

As part of the hiring process, workers are provided with a written employment agreement in their native language. This agreement describes the terms and conditions of employment and workers are free to terminate their employment at any time. Holding employee documents (IDs, passports, work permits, etc) is strictly forbidden and workers are not required to pay recruitment fees or other related fees. Managing risks associated with solicitation of recruitment fees can be quite challenging in that there is always a risk that workers will be charged by third parties unbeknownst to us prior to coming under our care. Many of our workers come to us following referrals from family, where we can be assured no fees were charged. For other workers, we have long established relationships with our recruitment companies and have contractually embedded our requirements for compliance and due diligence checks.

### **Checking & Verifying Compliance**

#### **Ethics Hotline**

We have an established Ethics Hotline, which is hosted by a third party service provider and available by phone or web portal. This hotline facility provides employees with a whistle-blowing mechanism to confidentially report any identified risks or malpractices. Any reports to the hotline are investigated and managed by the Internal Audit function. We have policies in place to prevent retaliatory action against those who make a good faith report. We have not identified any non-conformities

relating to slavery and human trafficking from our ethics hotline in the last three years.

## **Factory Auditing**

As an RBA member, our manufacturing operations are subject to third party audits as part of the RBA-endorsed Validated Audit Process (VAP) to independently assess our compliance with the RBA Code, including requirements relevant to slavery and human trafficking. The VAP process includes an on-site audit with documentation reviews and worker and management interviews. We were awarded a Green rating in our last VAP audit in recognition of our existing good practices and performance. We also carry out our own internal audits (replicating the VAP audit process) and worker interviews on a periodic basis to have additional assurance of good practices in this area. Third-party VAP audits, internal audits and worker interviews have not identified any non-conformities relating to slavery and human trafficking in the last three years.

## **Supply Chain Auditing**

We have an established prequalification process for any potential new supplier. 100% of potential new suppliers are audited to determine their compliance with Priority Aspects of the RBA Code of Conduct and legal requirements. This includes consideration of slavery and human trafficking risks. Prior to commencing mass production with a new Finished Goods Supplier, we carry out a full compliance audit against all aspects of the RBA Code and applicable legal requirements. This includes an assessment of the extent to which the supplier has policies and management processes enabling effective management of slavery and human trafficking risks.

For our existing suppliers, we utilise the 80-20 Rule and focus our auditing effort on material “Core Suppliers” (i.e. the suppliers who account for 80% of our direct spend). This approach aligns with good practice as endorsed by the RBA. 100% of our Core Suppliers are audited at least once annually. Our auditing programme for existing suppliers is also risk-based. In addition to applying the 80-20 rule, we identify any High Risk suppliers using the RBA’s Self-Assessment Questionnaire ([SAQ](#)) and Risk Assessment [Tool](#). The supplier uses these tools to carry out a self-evaluation of their performance and disclose pertinent information regarding their business activities and organisation. We carry out a desk-based review of that information to verify accuracy and completeness and to determine the level of risk and the need (or value) of on-site audit. Any result below 65% is defined as High-Risk by the RBA, and any High Risk suppliers are included in our annual audit plan. In FY19, we completed 70 supplier audits, to cover 100% of our Major Suppliers (i.e. 80% of our direct procurement spend). Our audit process includes a fully established process for corrective action planning, tracking and reporting, including termination of the agreement with the supplier, if needed. We have not identified any non-conformities relating to slavery and human trafficking in our supply chain in the last three years.

## **To Conclude**

The RBA Code provides a framework for management of slavery and human trafficking risks in accordance with all relevant legal requirements and international good practice. As an RBA member, we implement that code as a total supply chain initiative and enforce a “Zero Tolerance” approach to slavery and human trafficking risks. We are committed to transparent reporting of our efforts in this area. These efforts, as well as this statement, are reviewed by our Board of Directors on an annual basis and publicly disclosed on our website. Further information is provided in our annual Sustainability Report, which is also available from our website.

  
Bracken Darrell  
President and Chief Executive Officer