



## **Statement on Modern Slavery and Human Trafficking Year ended 30 September 2020**

This statement fulfils the obligations set out in Modern Slavery Act 2018 and the Modern Slavery Act 2018 (NSW) and is made by Carl Zeiss Pty Ltd and Carl Zeiss Vision Australia Holdings Limited. Both companies are members of the Carl Zeiss AG group of companies ("ZEISS").

ZEISS does not tolerate any form of slavery, whether in production, in the supply chain or in any other area of its business. The group has made considerable efforts to minimise the risk of slavery and to promote fair working conditions within its own business and supply chain, but still acknowledges the need to continue its efforts. This statement refers to the activities undertaken in the financial year ended 30 September 2020.

By issuing this statement on the Modern Slavery Act, we want to give our customers and all stakeholders the opportunity to make better, more informed decisions concerning our products and services.

### **The ZEISS Group's position on modern slavery and human trafficking**

According to the latest Global Slavery Index, modern slavery affected more than 40 million people around the world in 2016. Modern slavery can take many forms, such as forced labour, human trafficking, child labour or undignified working conditions. ZEISS does not tolerate or accept any form of modern slavery within its operations or in its supply chain. In the event that any allegations of modern slavery are reported, ZEISS will handle them very seriously and take appropriate steps to stop further harm. Where ZEISS finds that it has contributed to harm it will look to see what steps it could take to remedy that harm.

The responsible, law-abiding and ethical behaviour of a company and its employees are therefore of key importance for business partners, customers, authorities and the public. A good reputation and compliance with applicable laws are major factors that help determine a company's success. Employees also want to take pride in their company. It is equally important to make stringent demands on business partners and suppliers so that they also take social responsibility seriously in their supply chain and wider operations.

ZEISS is a top international player in the fields of optics and optoelectronics and works closely with a global supplier network. We can therefore only meet our own expectations, as well as societal and customer expectations, when our suppliers also adhere to social standards and play their part in ensuring sustainable development. Consequently, ZEISS runs numerous activities in order to minimise the risk of modern slavery and human trafficking, and to promote fair working conditions.

## **The ZEISS organisational structure**

With over 170 years of existence, ZEISS has developed into a global player. ZEISS is represented in over 40 countries and employs nearly 30,000 people worldwide. The Group has over 30 production sites, more than 50 sales and service companies and around 25 research and development centres. ZEISS is headquartered in Oberkochen in southwestern Germany. As a global technology company, within Australia ZEISS offers optical and optoelectronic products and solutions in three areas:

- Research & Quality Technology
- Medical Technology
- Vision Care & Consumer Products

Carl Zeiss Pty Ltd is a sales and Service Centre (SSC) with a scope of responsibility for the sales, installation and servicing of precision-engineered, optical, electronic and medical products. Carl Zeiss Vision Australia Holdings is a global Vision Care competency centre of excellence for our spectacle lens business and is concerned with technology innovation and customer laboratory enablement.

## **Rules and responsibilities**

The ZEISS corporate headquarters sets rules and policies that apply to all ZEISS companies, including in relation to the fight against modern slavery. The companies on behalf of which this statement is made, together with all other ZEISS group companies, are responsible for implementing and complying with them. The "Responsibility at ZEISS" working group has defined central specifications for how regulatory compliance in areas including modern slavery is to be handled throughout the organisation and the supply chain.

The "Supplier Sustainability" working group supports the business groups and all entities as they implement these specifications. All ZEISS group employees are expected to report any suspected cases of modern slavery via established internal compliance channels. This is clearly communicated internally. Should any such incidents occur at a ZEISS company, they shall be forwarded to Human Resources and assessed on an individual basis.

Should any such incidents involve a supplier, they shall be forwarded to the Supplier Sustainability working group and dealt with there. The Code of Conduct of the Responsible Business Alliance (RBA) is the official code of conduct for ZEISS suppliers. It states that all employees are to be treated with respect and that business operations must be conducted in line with environmental and ethical considerations. This covers the importance of freely chosen employment; the avoidance of child labour; working hours; humane treatment; and wages and benefits. The provisions are based on the UN Guiding Principles on Business and Human Rights and are derived from international standards. Since 2015/16, ZEISS Global Headquarters has been sending the RBA Code of Conduct to its key suppliers and requiring them to sign a declaration in which they agree to comply with the requirements set out in the Code. Any suppliers who do not respond are followed up. Where ZEISS entities use the SAP system all orders placed automatically include acceptance of the RBA Code of Conduct as part of the terms of the order.

In 2007, ZEISS approved a Code of Conduct valid for all entities within the international ZEISS group. It specified and explained the general rules of behaviour for various aspects of its business activities. ZEISS firmly believes that sustainable economic success and compliance with laws and internal standards go hand in hand. As a result, the Code of Conduct references legal regulations without explicitly mentioning individual ones. In 2016 it was updated in order to mention explicitly the International Labour Standards (ILO standards) and therefore the ban on all forms of modern slavery. It now satisfies in full the requirements found in the RBA Code of Conduct. In this updated version, ZEISS highlights the importance of human rights due diligence in complying with the ILO standard. ZEISS explicitly condemns all forms of forced and child labour and takes proactive measures to ensure fair and humane working conditions worldwide.

### **Supplier selection and assessment**

New suppliers are selected based on both technical and logistical requirements and a supplier self-assessment, as well as through a status query on specific business topics. To date these have included occupational health and safety, environmental protection, energy efficiency, and cover social and ethical aspects. Selected ZEISS suppliers will undergo an on-site inspection, a supplier audit that also takes these social and ethical aspects into account. The aim of these audits will be to identify any weaknesses in the supply chain with reference to modern slavery and to find and implement appropriate solutions.

### **Five-stage supply chain approach to evaluate aspects of sustainability and standards of good conduct**

ZEISS believes that reducing the risks of modern slavery occurring in our supply chains improves the sustainability of those supply chains. The actions taken by ZEISS (and all the companies on behalf covered by this statement) include but are not limited to, a five-stage risk-based approach. Reducing the prevalence and reducing the risks of modern slavery occurring is achieved by.

1. ZEISS informing all key suppliers of the minimum standards of the RBA Code of Conduct which must be observed for establishing and maintaining a trading relationship.
2. Selected suppliers must then confirm in writing their compliance with the minimum standards.
3. ZEISS then rates its key 'managed' suppliers using a standardised risk analysis and assesses the results.
4. Suppliers rated as medium to high-risk are required to complete a Sustainability Self-Assessment Questionnaire as part of further review and investigation.
5. Selected suppliers are identified and if appropriate-site audits are performed in continuing sustainability assessments.

If it is found, in stages four or five, that the supplier does not fulfil the minimum standards that ZEISS has for its suppliers regarding sustainability, ZEISS shall define next steps as necessary and appropriate, including specific action plans with the suppliers, and will then monitor them until their successful implementation.

## **Combatting modern slavery**

In the financial year 2019/2020, ZEISS continues its activities globally and within Australia in an effort to combat modern slavery. These included:

- An ongoing internal and external communication of the updated Code of Conduct. Internally this is now fully integrated into the induction programme for all new employees and is refreshed to all employees every two years.
- The introduction of a formalised Group-wide whistleblowing process to enable employees to report concerns confidentially to a central point.

## **Objectives for financial year 2019/2020 in the fight against modern slavery and human trafficking**

We understand that the fight against modern slavery and human trafficking is an ongoing process and we will constantly review and refine the steps we take as we learn more about how to mitigate this risk in the future. Specific targets for ZEISS (including the companies on behalf of which this statement is made) over the coming year include:

- Consideration of how to update minimum rules governing the further integration of anti-modern slavery measures into product development for all ZEISS products.
- Further implementation of risk-based approaches to ensuring that key suppliers are systematically monitored regarding modern slavery and other sustainability criteria.

This statement was approved by the Boards of each of the companies listed below on the dates shown, and is signed on behalf of each respective entity.



Joe Redner  
Managing Director  
Carl Zeiss Pty Ltd  
Carl Zeiss Vision Australia Holdings

12 June 2020