

Modern Day Slavery and Human Trafficking



For JCM, Modern Day Slavery is an umbrella term which encompasses the risks posed by forced labor, prison labor, indentured labor, bonded labor, debt servitude, state imposed forced labor and human trafficking, where coercion, threats or deception are used to intimidate, penalize, or deceive workers, thereby creating situations of involuntary work and exploitation. Modern Day Slavery may also be associated with the worst forms of child labor.

Forced labor, child labor, risks associated with migrant labor and the trafficking in persons, and other slavery-like practices, are issues that must be addressed through robust social assurance and labor monitoring programs. Our focus continues to be on ensuring fair, safe, and healthy working conditions for the workers who make our products in alignment with international standards and norms.

We treat forced labor, human trafficking, and slavery as zero-tolerance issues. Business relationships can be impacted if such issues are found and can lead to enforcement action, warning letters and, if timely remedies are not offered, to termination.

Supply Chain

Our supply chain includes transforming materials into end-user finished goods products, such as bill validators, thermal printers, and various electro-mechanical devices. We have a global and multi-layered supply chain, with different types of business partners. As a company, we also have non-trade-based procurement, where we contract third parties for the supply of goods and services to support our general business operations around the world.

Policies

Our highest level of policy commitment on human rights is our Labor Rights Charter which demonstrates our commitment to the United Nations Universal Declaration of Human Rights. The Labor Charter applies to all our business activities and operations, including trade and non-trade procurement.

Our trade-related business partners are held to our Partner Workplace Standards developed around the United Nations conventions on human and labor rights. These standards also comply with the FLA's (Fair Labor Association) Principles of Fair Labor and Responsible Sourcing.

The general principles in our Workplace Standards are explained and based on international law, societal norms, industry best practice, and require business partners to prevent and mitigate impacts on human rights, human trafficking, and slavery.

In accordance with our Workplace Standards, business partners must not use forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise. No employee may be compelled to work through force or intimidation of any form, or as a means of political coercion or as punishment for holding or expressing political views. The Workplace Standards include a specific clause which reads:

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“JCM Global is committed to respecting human rights and will refrain from any activity, or entering relations with any entity, which supports, solicits, or encourages others to abuse human rights.

We expect our business partners to do the same, and where there is any perceived risk of a violation of human rights to duly notify us of this and of the steps being taken to avoid or mitigate such a breach and, where this is not possible, for the business partner to provide for the remediation of the adverse human rights impact where they have caused or contributed to this.”

For the purposes of these Workplace Standards, human rights are a set of rights which recognize the inherent dignity, freedom, and equality of all human beings, as expressed in the United Nation’s International Bill of Human Rights and in the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work.”

To support our commitment to the fair treatment of the workers who make our products, including reducing pressures on working hours and ensuring the full and timely payment of wages, we have embedded within our business processes several responsible sourcing and purchasing practices including:

1. Costing strategies that acknowledge the time taken and cost of labor to produce an item.
2. Product Commercialization strategies that avoid last minute changes in the development process.
3. Effective forecasting systems enabling suppliers to plan appropriately.
4. Systematic dialogue with suppliers on their capacity which enables level loading during peak months.
5. Strategic supplier programs developed for long-term business relationships.

Due Diligence Processes

We have developed a due diligence approach that targets those high-risk locations, processes or activities that require the closest attention and where we can apply influence to mitigate or remediate issues, where they occur.

If serious breaches of the Workplace Standards are identified in a new supplier, they are not authorized to begin manufacturing of JCM Global products until they have demonstrated comprehensive and sustainable remediation of the issues. If evidence is found of human trafficking, slavery-like practices, or child labor at a prospective new supplier, they will be disqualified, and the findings shared with relevant government agencies for their follow-up.

For our direct supply chain, where our monitoring staff identify specific non-compliance issues, including forced labor, suppliers develop corrective action plans to address them in a sustainable manner within a set period of thirty (30) days which are closely monitored by our team through follow up audits and progress monitoring.

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We recognize that risks associated with modern slavery are potentially prominent in international manufacturing in the upstream supply chain and we are therefore focused on targeted modern slavery monitoring and review programs.

Risk Assessment

JCM Global monitors and evaluates known human rights and socio-political issues and risks and this monitoring has resulted in the adoption of new tools and approaches to prevent harm to rights-holders. Risks of modern slavery and other adverse human rights impacts have also resulted in the disqualification of certain countries, for example North Korea and Uzbekistan, as sourcing locations.

For new supplier relationships, we conduct onsite evaluations of the supplier's facility and operations to evaluate prospective suppliers against a set of Zero Tolerance Issues and Threshold Issues. Zero tolerance includes prison labor, serious, life threatening health and safety conditions and repeated or systematic abuse. Threshold compliance issues include serious employment issues, serious health, safety or environmental issues and any combination of the two.

Compliance Monitoring (CM) – key industry risks such as child labor, excessive hours, forced labor, freedom of association, health and safety, and women's rights are already deeply embedded in our monitoring program, which seeks to uphold our Workplace Standards and supporting policies and guidelines.

Our risk assessment cuts across all tiers of our supply chain and are carried out on a regular basis relying on stakeholder engagement to inform our risk evaluation ranging from tailored engagements with specific stakeholder groups, with the investor community, through worker interviews, engagement with government agencies on human rights topics or responding to changing regulatory frameworks. These are all material considerations in our risk assessments.

Measurement and Performance Standards

Internal and external reviews are conducted at our suppliers' factories to ensure they comply with our Workplace Standards. In addition to our own monitoring activities, we value unannounced assessments to demonstrate the credibility of and provide verified information about our program to stakeholders.

We assess the effectiveness of our suppliers' management systems to protect labor rights, worker safety and the environment. Socially compliant suppliers are incentivized in the form of increased order volumes. For our licensee partners and agents that manage our indirect supply chain, we evaluate a business entities performance in applying our Workplace Standards and associated guidelines.

Individuals, worker representatives, and worker rights organizations, as well as other civil society groups, can contact JCM Global directly, as well as the independently managed FLA Third

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Party Complaint Process or the OECD's (Organization for Economic Co-Operation and Development) complaint mechanism, to bring issues related to the breach human rights directly to our attention.

Additionally, workers in our supply chain have access to anonymously lodge complaints and suggestions at manufacturing sites through our whistle-blowing policy. This enables them to file a complaint without fear of retaliation.