

# ZETES INDUSTRIES

## COMMUNICATION ON PROGRESS 2022



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## COMMUNICATION ON PROGRESS (COP)

Period covered by this Communication on Progress (COP)  
From: 30/12/2020 To: 31/12/2022

## STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

Brussels, December 30, 2022

To our Stakeholders:

One year ago, and for the first time, the ZETES Board of Directors made a commitment to the ten principles of the UN Global Compact. Today, in my capacity of Group CEO, I am pleased to confirm that ZETES reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

With our first commitment, we also published our first sustainability report. Now, one year later, we are close to publishing our second report.

In this annual Communication on Progress, we summarize the actions described in our report and pledge to improve continuously the integration of the Global Compact and its principles into our business strategy, our culture and our daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Pierre Lambert,  
CEO ZETES Industries

## ZETES, and OUR VIEW ON SUSTAINABILITY

The ZETES Group is a multinational company created in 1984, specialized in identification & mobility solutions. The ZETES Group has its headquarters in Brussels, Belgium and employs close to 1300 people across 22 countries in EMEA. ZETES aspires to achieve sustainable profit and growth. Its turnover amounted to €281.1 million in 2020 and reached €293.9 million in 2021. The group's EBITDA in 2021 was in line with our strong results, peaking at €30.0 million.

### MISSION

Across national boundaries, across markets and across technologies, ZETES is committed to have a positive and tangible impact on its customers and its stakeholders.

ZETES is active in the sectors of automatic identification and traceability. The movements of goods and people are thus reflected in IT systems. Better visibility over these movements enables our customers to optimise the management of their processes and to take better decisions. The benefit for the private sector rests principally in the acquisition of a competitive edge. The aim of the public bodies is to preserve the interests of citizens and to better serve the population.

It has always been ZETES' mission to connect the physical world to the digital world of IT systems. Our company does this for people moving around the world as well as for goods flowing through complex supply chains. In both cases, transparency and visibility are required to enable good decision making, for governments and private companies alike.

Collaboration is one of the key values of the company. Combined with its strong capacity to adapt to a fast-evolving environment, or weather troubled times, ZETES is a key strategic partner for its global customers. Whether they need to manage unforeseen disruptions, achieve greater visibility or take new steps towards digitisation, ZETES is there to help them in responding to the "new normal".

Today, more than ever, we see that each individual, each group, each government has to take up its responsibility to face the challenges arising from this "new normal". Be it climate change, global health issues, migration, corruption, resource shortages, or any other change.

To achieve this, we all have to work together and strive towards a common goal. This also applies to companies and their leadership.

At ZETES, we believe that sustainability, embedded as a formal management practice, is the other key value required to achieve this change.

## OUR FRAMEWORK FOR SOCIAL RESPONSIBILITY

In 2021, the ZETES corporate vision was translated into the revision of existing policies and the confirmation of a firm commitment towards social responsibility. They all serve as a guideline for our behaviour and actions.

Moreover, an in-depth analysis was done to evaluate for which of the UN Sustainable Development Goals (SDG) ZETES, as a global company, could have the most impact. Our sustainability program will focus on the following six selected SDG's, whilst also making improvements towards the other goals:

<ul style="list-style-type: none"><li>• Specific solutions for serialisation provided by ZETES</li><li>• Specific solutions for the organisation of vaccin research provided by ZETES</li><li>• Wellbeing actions in our offices and production facilities</li></ul>	
<ul style="list-style-type: none"><li>• Installation of PV pannels</li><li>• Electrification of our fleet</li><li>• Awareness concerning energy use</li><li>• Revision of our coding practices</li></ul>	
<ul style="list-style-type: none"><li>• Support equal treatment of people through our identification solutions</li><li>• A diverse company, where everybody can be themselves</li><li>• Bridging existing gaps and working with one minimum standard for all ZETES entities</li></ul>	
<ul style="list-style-type: none"><li>• Our dedicated Policies</li><li>• The Sechaba Foundation, set up in South Africa</li><li>• Safety actions in our offices and production facilities</li><li>• Extra-legal benefits for ZETES employees</li><li>• Our Solutions that create a safe, ergonomic work environment</li></ul>	
<ul style="list-style-type: none"><li>• Supply Chain Optimising Solutions provided by ZETES preventing waste and re-work</li><li>• Waste reduction &amp; recycling programs at our offices</li><li>• Partnership with NGO preventing food waste</li></ul>	

- Build-Operate-Transfer programs in Africa
- Participation in national (e)ID programs, most notably ID4D
- Voter registration solutions and national registers
- Our dedicated Policies & training



### ONE SDG AS A CORNERSTONE

Although we only selected six SDG's as the focus of our sustainability program, we strongly believe that through all six we will also have a profound effect on other SDG's.

For example, our actions for SDG 7 will contribute to mitigate climate change (SDG 13) and our solutions that help in providing decent and safe work environments (SDG 8) will have added value towards industry and innovation (SDG 9).

But most notably, we are convinced that SDG 16 can be a cornerstone to facilitate governments and institutions to move forwards in reaching multiple other goals.

The solutions we provide with People ID projects will help governments - particularly in developing countries - in setting up a national register and provide every civilian with a unique identity. This registration, and the means to proof who you are, will open the access to all other services.

Based on such national register and the existence of a legal identity, governments can deliver proof of identity (which can be either physical or digital) to individuals, so that a person can use their legal identity to interact with the world (banks, police, authorities, telecommunication providers, transport companies, international agencies, etc.).

Our solutions are actually very basic: if a government still does not know the approximate size of their population, where people live, what the family composition is, let alone be able to approach each person individually and provide tailor-made services, then that government cannot actually organise anything. If one does not exist (no identity) then one is invisible to government services. In a country without a base identity, every citizen could be seen as an illegal immigrant and only the rich could access organised healthcare, education, security, food, business, etc.

Therefore, it is fair to state that SDG 16 'Strong institutions'\* will act as a gateway to support in reaching several other goals, most certainly:

SDG 1 'No poverty'

SDG 2 'Zero hunger'

SDG 3 'Good health and well-being'

SDG 4 'Quality education'

SDG 5 'Gender equality'

SDG 8 'Decent work and economic growth'

SDG 10 'Reduced inequality'

SDG 11 'Sustainable cities and communities'

(\*) inclusive societies for sustainable development provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

## SYSTEM FOR THE PROMOTION OF SOCIAL RESPONSIBILITY

A CRS steering group has been established within ZETES with representatives from several departments, business units and local actors. Among others, the group consists of specialists in Legal&Compliance, HSE, Quality, HR and Operations.

A dedicated role towards CSR management has been created within the group to streamline our efforts and execute our sustainability plan.

This steering group oversees and safeguards also how our actions remain in line with the 10 principles of the UN Global Compact.

## DESCRIPTION OF ACTIONS

At the end of 2021, ZETES published its Corporate Social Responsibility Statement and related Policies. These policies consist of an Environmental Policy, a Labour & Human Rights Policy, a Fair Business Policy and a Supplier Code of Conduct. Actions, related to the 10 principles of the Global Compact, and based on those policies are described below.

### Human Rights

*Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and*

*Principle 2: make sure that they are not complicit in human rights abuses.*

### Actions undertaken:

- ▶ All Zetes entities comply with local legislations on Health & Safety.
- ▶ Human rights practices are, among others, part of our Supplier Code of Conduct.
- ▶ Zetes acknowledges and respects the principles of freedom and association and the right to collective bargaining of its employees.
- ▶ Zetes supports diversity and employment equity.

## Labour

*Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*

*Principle 4: The elimination of all forms of forced and compulsory labour;*

*Principle 5: The effective abolition of child labour; and*

*Principle 6: The elimination of discrimination in respect of employment and occupation.*

### Actions undertaken:

- ▶ Zetes has published its Modern Slavery Act (MSA) Statement to identify the actions the company has taken to ensure slavery and human trafficking are not occurring in its business or supply chain.
- ▶ Set up of home-office practices to support a better work-life balance.
- ▶ Yearly Employee Opinion Surveys to analyse and improve employee satisfaction.
- ▶ All ZETES' entities comply with local legislations towards local labour practices.

## Environment

*Principle 7: Businesses should support a precautionary approach to environmental challenges;*



*Principle 8: Undertake initiatives to promote greater environmental responsibility; and*

*Principle 9: Encourage the development and diffusion of environmentally friendly technologies.*

### Actions undertaken:

- ▶ Actions to lower our CO2 emissions - purchase green electricity and optimise our building infrastructure.
- ▶ Actions to lower our CO2 emissions - gradual electrification of our company fleet.
- ▶ Implementation of certified ISO 14001 environmental management systems.
- ▶ Awareness sessions towards our personnel to respect the implemented waste management rules.
- ▶ Installation of filtered tap water faucets and purchase of reusable water bottles for our personnel to eliminate plastic waste.
- ▶ Set up of digital meetings to minimize business travel.
- ▶ Attention for biodiversity initiatives of our surroundings when performing site management.

## Anti-Corruption

*Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.*

### Actions undertaken:

- ▶ Ethical behaviour and anti-corruption practices are, among others, part of our Supplier Code of Conduction.
- ▶ A Global Travel, Gift and Business Expense Policy was published internally and has been implemented in 2022.
- ▶ All personnel is subjected to a yearly ethics training, based on our Code of Ethics & Compliance.
- ▶ A Whistleblower Hotline is available to our employees, operated by an independent third party, to give employees a way to raise compliance concerns: “EARS - Ethical Action Real Solutions”.

## MEASUREMENT OF OUTCOMES

- Fair Business training:

TRAINING TOPIC	ZETES GROUP		
	Invited	Participated	%
Code of Conduct 2019	N/A	N/A	N/A
Code of Conduct 2020	1102	1058	96,0%
Compliance Refresh 2020	1177	858	72,9%
Anti-Bribery 2020	469	438	93,4%
Competition Law Compliance 2020	2	2	100,0%
Fraud 2020	469	435	92,8%

- Health & Safety Statistics:

H&S STATISTICS	INJURY RATE	GRAVITY RATE
2021	1.99	0.084
2020	11.05	0.186

- EOS survey:

- 77% participated in 2021
- 80,5% participated in 2022

- **Biodiversity actions:**



*Figure 1: Flowering meadows and insect hotels on our sites in Belgium and The Netherlands*

- **Publication of our Sustainability report: [Link](#)**



**zetes**

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