



# **STATEMENT ON MODERN SLAVERY AND HUMAN TRAFFICKING**

AUGUST 2021



## **STATEMENT ON MODERN SLAVERY AND HUMAN TRAFFICKING**

### **Commitment from the President and Chief Executive Officer on behalf of the Company**

Modern slavery is a heinous crime and a morally reprehensible act that deprives a person's liberty and dignity for another person's gain.

At HARMAN, we take our role very seriously and acknowledge the difficulties in abolishing modern slavery and human trafficking, as well as the misery caused for the many affected by this global problem.

We are committed to working with increasing rigor toward our aspirational goal to eliminate modern slavery and human trafficking from our own supply chains, and lead by example to have peers and other business partners join us in our effort. At HARMAN we have a zero-tolerance approach to modern slavery and are fully committed to preventing slavery and human trafficking in our operation and supply chain.

### **HARMAN's Business**

HARMAN International, a wholly owned independent subsidiary of Samsung Electronics, designs and engineers connected products and solutions for automakers, consumers, and enterprises worldwide, including connected car systems, audio and visual products, enterprise automation solutions; and connected services. Our talented workforce and innovation strength create value for our stakeholders by enabling rich experiences through the connected car, connected enterprise and connected lifestyle.

We are proud to operate in more than 30 countries, spread across the Americas, Europe, Asia Pacific, the Middle East, and Australia. The heart of our operational footprint is a +30K global workforce of cross-functional experts and leaders. Through innovative people, processes and products we strive to enhance the social and environmental fabric of the communities and markets we serve.

### **Context and reference for the HARMAN program**

HARMAN is committed to social and environmental responsibility and does not tolerate deviations from our Code of Conduct. To that end, we prohibit the use of forced labor, including prison labor, indentured labor, bonded labor, military labor, slave labor and human trafficking.

In HARMAN, we have taken concrete steps to tackle modern slavery, as outlined in our



statement. This statement sets out the actions that we have taken to understand all potential modern slavery risks related to our business, and to implement steps to prevent slavery and human trafficking during the financial year 2021

We consider human and workplace rights—as articulated in the [United Nations Universal Declaration of Human Rights](#) and the International Labor Organization's [Declaration on Fundamental Principles and Rights at Work](#)—to be inviolable.

We support equal employment opportunities, diversity and inclusion for our employees and do not discriminate against them. We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees.

The HARMAN [Supplier Code of Conduct](#) includes provisions for the prevention of forced and child labor. Specifically:

- HARMAN prohibits all kinds of forced or compulsory labor in its supply chain (including HARMAN's suppliers and their sub-suppliers) under any conditions, including bonded, forced, and/or compulsory prison labor. Full disclosure to workers of terms and conditions of employment must be made and should in no way be linked to workers making payments or becoming indebted in any way.
- Suppliers may not, directly or indirectly, engage in or support trafficking in human beings. Suppliers may not, directly or indirectly, recruit, transfer, harbor or receive any worker by means of threats, force, coercion or deception.
- HARMAN does not allow child labor to be used in its supply chain (including HARMAN's suppliers and their sub-suppliers). A "child" is any person under 15 years of age, or as defined by the International Labor Organization Conventions, national laws or any other applicable law or standard, depending upon which is the most stringent.

In addition to the HARMAN Supplier Code of Conduct, this statement and the company's program are informed by the company's [Conflict Minerals Policy](#), [Ethics Hotline Program](#), [CSR/Sustainability Statement](#), and other applicable [Supply Chain Policies](#).

HARMAN also aligns with elements of the Social Accountability SA8000 standard: Child Labor, Forced Labor (which includes human trafficking), Freedom of Association and Right to Collective Bargaining, Health & Safety, Discrimination, Disciplinary practices, Working hours, and Compensation.

We will, over time, engage key stakeholders to inform our policies, processes, and performance in order to continuously challenge and improve those activities.

## **Responsibility**

Properly reporting, and helping to prevent modern slavery and human trafficking are the responsibility of everyone with knowledge of these activities. At HARMAN, the content of this Statement has been approved by the company's President and Chief Executive Officer. Responsibility for day-to-day management of the program and its compliance is shared

between the company's senior-level Environmental, Social, Governance (ESG) Committee and global executive leadership team members.

### **Boundaries of this statement**

To make sure that the entire HARMAN Supply Chain operates in a manner consistent with the company's objectives, all HARMAN' suppliers and sub-suppliers of goods or services are required to act in accordance with HARMAN's Supplier Code of Conduct for better supply chain management, including any and all provisions to prevent modern slavery or human trafficking in all forms.

### **Expectations of compliance and reporting potential breaches**

This Supplier Code of Conduct is considered an integral part of HARMAN's business relationship with its suppliers and all suppliers are expected to meet the standards of conduct expressed in the Code.

Any HARMAN employee found to have knowledge of modern slavery or human trafficking abuses anywhere within the company's value chain is expected to report those breaches immediately to their next level manager or through the anonymous reporting system, for escalation as warranted. ***Failure to report known breaches is grounds for immediate termination of the employee.***

### **Implementing systems and controls to manage the risks**

HARMAN's Standard Terms and Conditions require HARMAN'S suppliers to agree to HARMAN's Supplier Code of Conduct. The Code of Conduct is based on the SA8000 Standard from Social Accountability International and prohibits all kinds of forced or compulsory labor.

Full disclosure to workers of terms and conditions of employment must be made and should in no way be linked to workers making payments or becoming indebted in any way. The Code of Conduct also prohibits suppliers from directly or indirectly engaging in or supporting trafficking in human beings, whether by recruiting, transferring, harboring or by receiving any worker, by means of threats, force, coercion or deception.

Certification to SA8000 is not currently a requirement BUT is strongly recommended for all suppliers, and full adoption of the spirit of the standard is implicit in these expectations. At a minimum, top supplier management must periodically review the adequacy, suitability, and continuing effectiveness of the supplier's policies, procedures, and performance results in meeting the requirements of the Code and other requirements to which the supplier subscribes. System amendments and improvements must be implemented where appropriate.

HARMAN reserves the right to inspect suppliers' facilities to, among others, verify compliance with the Code of Conduct.

## **Due diligence processes in relation to slavery and human trafficking**

Due diligence begins with visibility, transparency, and verification of compliance. HARMAN must have visibility to its entire supply chain regarding the standards addressed in the Code. Accordingly, all suppliers of HARMAN **MUST** require their suppliers and sub-suppliers to comply with the Code, including the requirements to provide additional information and certification and to permit audits by HARMAN and its representatives. This includes allowing HARMAN or any third-party auditing organization engaged by HARMAN to audit its books and records, facilities, and operations to verify compliance with the Code.

Harman Supplier Audits will include a dedicated section to cover Corporate Social Responsibility and Sustainability topics including modern slavery, child labor, wages and benefits, working hours, forced labor and human trafficking, freedom of association and collective bargaining, health & safety, harassment and non-discrimination topics. In addition to these topics, HARMAN strongly encourages and expects its suppliers to cascade these topics down to their sub-suppliers across the value chain.

HARMAN prioritizes supplier participation in our annual audit plan where risk scores from a voluntary self-assessment indicates “High Risk”. HARMAN utilizes audits to confirm evidence and compliance to standards working collaboratively and constructively with the Supplier/Partner, identify gaps, and define Supplier Quality Excellence (SQE) action plans or improvement programs to close those gaps. The audit results are routinely evaluated in conjunction with the quantitative risk scores from the suppliers using the HARMAN Risk Tool.

## **Training and communications programs**

Our compliance and internal training program includes identifying signs of human trafficking. Employees have mechanisms to increase the visibility of issues, for example through our confidential ethics hotline.

All credentialed HARMAN employees (for example, those with a HARMAN system login; does not include shop floor employees) must complete an annual training course on the topic of modern slavery and human trafficking. The training syllabus is intended to build critical capability of the topic, and includes, but is not limited to, the following applied elements:

- Definitions of forced labor, modern slavery, and human trafficking;
- Understanding who is most at risk;
- Identifying the countries where these problems most often occur (the global “hot spots,” warranting increased scrutiny and diligence);
- Quantifying the financial impact and scope of the issue;
- Regulatory/legislative overview of global laws enacted to combat slavery and human trafficking;
- How to identify signs of human trafficking, forced labor, and modern slavery in supply chains;
- What to do if the employee becomes aware of circumstances that suggest these issues (reporting and escalation protocol);
- Reinforces a “zero tolerance” approach and a clear understanding that these issues are in direct conflict with HARMAN’s Code of Conduct and behaviors expected of HARMAN employees;

This statement is made pursuant to section 54(1) of the United Kingdom Modern Slavery Act 2015 and California Transparency in Supply Chains Act of 2010 and has been approved and signed by our President and Chief Executive Officer. It constitutes HARMAN'S modern slavery and human trafficking statement for the current financial year.



---

Michael Mauser  
President and Chief Executive Officer  
August 9<sup>th</sup> 2021