

# DIODES ZETEX SEMICONDUCTORS LIMITED

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# DIODES SEMICONDUCTORS GB LIMITED

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## Modern Slavery Act Statement

June 2020

Modern slavery and human trafficking statement for the financial year ended 31<sup>st</sup> December 2019.

### 1 Introduction

This modern slavery and human trafficking statement, pursuant to section 54(1) of the Modern Slavery Act 2015, is made on behalf of the two UK operations which form part of the Diodes Incorporated group of companies.

We are strongly committed to ensuring that our operations and supply chains are free of modern slavery and human trafficking and take our social responsibilities very seriously. We conduct our activities in accordance with our core values of integrity, commitment and innovation and regularly carry out risk assessments, perform due diligence on our suppliers and train our staff on all aspects of compliance to ensure slavery and trafficking do not occur within our operations or supply chain.

**This is the fourth statement on behalf of Diodes Zetex Semiconductors Limited and the first for Diodes Semiconductors GB Limited since the formation of the company and acquisition of the facility in April 2019.**

### 2 The nature of our business

Both companies form part of the European operation of Diodes Incorporated a leading global manufacturer and supplier of high-quality application specific standard products within the broad discrete, logic, analog and mixed-signal semiconductor markets. To find out more about Diodes Incorporated and the countries where we have business operations please visit [www.diodes.com](http://www.diodes.com).

### 3 Our supply chain

The supply chains of our two UK companies are global and number over 500 suppliers in more than 20 countries.

We continue to engage with suppliers building on the work of previous years, using the knowledge and experience gained to ensure they are monitored and reviewed according to various risk criteria along the supply chain.

This process covers all types of risks: supplier, sector, corporate responsibility standards, risks related to certain groups of goods and country/government jurisdiction where the risk of modern slavery could potentially be higher.

Most activity is centralised and managed within our Procurement department who found no evidence of modern slavery or forced labour in our supply chains during 2019.

We recognise that collaborative working is vital to effectively mitigate any issues and commit to working closely with suppliers to support the preparation of any mitigation plans where we identify risk, however small. Most of our relationships have been established for several years and built upon mutually beneficial factors and we have found the majority of our suppliers have a high level of awareness with regard to modern slavery with many referencing their own statements.

Supplier selection remains a key element to us maintaining a sustainable supply chain and we incorporate a due diligence process to ensure suppliers are adequately assessed against our modern slavery requirements.

#### **4 2019 Achievements**

Much of the work carried out to identify and mitigate risk is repeated annually and in 2019 included:

- Reviewing/assessing supplier self-assessment questionnaires completed by medium and high-risk suppliers;
- Training for our management/supervisory team on human trafficking and modern slavery using E-Learning; focusing on spotting warning signs of modern slavery and human trafficking and how to deal with them if they arise;
- Completing Labour Provider/Third party Audit checklists to ensure appropriate checks are made in relation to identity, right to work, modern slavery and human rights;
- All employees reminded of the company's commitment to combat modern slavery, our policies, procedures and guidelines.

Modern Slavery, Trafficking and Exploitation awareness is now fully embedded into our company induction programme and is delivered by a Senior Business Manager.

#### **5 Our policies and procedures**

We are committed to ensuring there is no modern slavery or human trafficking in our supply chains or in any part of our business. We reserve the right to require each vendor periodically to acknowledge in writing its compliance with applicable laws relating to child labour, slavery and human trafficking which reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

All staff are expected to comply with all laws and act in accordance with local guidelines and regulations with integrity and honesty. We regularly review our policies and procedures to ensure employees have access to any additional information and support they may require with regard to human trafficking, forced labour, servitude and slavery. This topic forms part of the induction process.

We operate a number of policies and procedures which reflect our commitment to acting properly in all of our business relationships and to implementing and enforcing effective systems and controls. They apply to all our employees and to anyone engaged in activities on the sites.

Our key policies and procedures which contribute to minimising the risk of modern slavery and human trafficking in our organisation and our supply chains include our:

- **Bullying and harassment policy** – which is designed to help ensure that all of our staff are treated with both dignity and respect;
- **Health, safety and environment policy** – a key aim of which is to ensure the wellbeing of all our employees and anyone else who may be affected by our activities;
- **HR procedures** – Our recruitment procedures ensure that all prospective employees are legally entitled to work in the UK. All successful applicants must produce their right to work documentation in line with the Right to Work Checklist published by the Home Office. This is a condition of employment and staff are not contracted until this has been produced and subsequently checked and verified by HR. This includes work permits and visas;
- **Whistleblowing policy** - a hotline is available to give employees, suppliers, customers and others with whom we partner worldwide a way to anonymously and confidentially report suspected violations of our standards of conduct, policies, laws or regulations;
- **Anti-Bribery policy (Foreign Corrupt Practices Act Policy including UK Anti-Bribery Legislation)** – this policy sets out the expectation for all employees to maintain the highest ethical standards. All employees acknowledge this policy on an annual basis.

We will continue to review our policies to ensure that they are effective and appropriate.

Employees are free to choose to work for us and to leave upon reasonable notice.

All employees are provided with a clear contract of employment, which complies with local legislation.

All employees are treated in a fair and equal manner and with dignity and respect.

All applicable laws and industry standards on employee wages, benefits, working hours and minimum age are adhered to.

Where possible we build long standing relationships with suppliers and make clear our expectations of their business behaviour.

We expect our suppliers to comply with the Modern Slavery Act 2015 and have their own suitable anti-slavery and human trafficking policies and processes.

Our Procurement team is responsible for promoting and ensuring compliance with the Modern Slavery Act 2015 as part of our supplier relationships.

## 6 Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, all employees are trained on the subject and we continue to assess specific training needs for all relevant members of our staff.

## 7 Further steps to prevent modern slavery in our business and supply chains

This year we are working across our two UK locations to learn and share best practice, and, following a review of our actions during the financial year ended 31<sup>st</sup> December 2019 to prevent slavery or human trafficking from occurring in our business or supply chains, we intend to take the following further steps in 2020:

- We will continue the process of requiring suppliers to demonstrate that they have their own equivalent policies covering modern slavery and human trafficking. In addition, subject to risk assessment new suppliers will be required to confirm this at the outset of the contractual relationship.
- We will increase the awareness amongst our suppliers of the availability of our whistle blowing confidential phone line, encouraging the reporting of concerns and supporting the protection of whistleblowers;
- We will continue to audit Labour/Third Party Providers on an annual basis;
- We will re-launch the Corporate Code of Conduct to all employees with electronic acknowledgment, regularly auditing to ensure compliance;
- We will continue to assess the effectiveness of our modern slavery initiatives through internal and external audits;
- We will carry out a review of the due diligence process for the approval of new vendors.

This statement is made in accordance with Section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year commencing 1<sup>st</sup> January 2019 and ending 31<sup>st</sup> December 2019.

### Signatures:



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**Dave Benstead**

**HR Director**

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**Tim Monaghan**

**European President**

**Date** 26th June 2020 .....

**Signature:** 

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