IT Labs Modern Slavery Act Statement

INTRODUCTION

IT Labs Group Ltd is a UK entity, part of IT Labs group of companies.

As one of the recently established entities, we have undertaken and adopted a decision to implement the requirements of the Modern Slavery Act 2015 ("the Act") since our office inception. This decision has been made to ensure that no form of modern slavery shall even be part of IT Labs or its supply chain or employment and recruitment processes and relations. This Statement is made pursuant to the Act.

We have also embedded the requirements of this Statement, to apply for all entities part of IT Labs group of companies.

Our firm position is that we have zero tolerance for any form of compulsory or forced labor, human trafficking, bonded labor, labor used under economic exploitation, child labor or other forms of labor without trustful and transparent execution of free will and fair pay. Just as we do not tolerate this in our operations, we do not tolerate or accept it within our supply chain and by our vendors, suppliers, partners, and clients.

IT Labs' mission includes enacting our values within our operations, and People and Integrity are main pillars among them. We strive to give our people the conditions, an environment, and a place where they will thrive in not only their work and profession, but also their life. This is undoubtedly interwoven with our dedication to make sure that our processes create a safe and equal environment that benefits our people, where their fundamental rights and freedoms are respected and of outmost importance to safeguard.

We are committed to promoting ethical business practices and policies that protect workers from being abused and exploited, both in our own business and our supply chain. Our approach to do that is to apply wider range of corporate responsibilities through creation of governance system that includes policies and procedures that are applied daily in due diligence, monitoring and implementation of the activities required for preventing and protecting the working environment and the business we undertake in it.

Classification: Public

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This governance system applies to all directors, officers, and personnel of IT Labs. This document contains essential information as to the steps that IT Labs will take in response to identifying a modern slavery risk.

DEFINITIONS

"Modern Slavery" means to enclose the following offenses in the Modern Slavery Act: slavery, servitude and forced and compulsory offenses, as well as human trafficking, as set out and defined in full in section 1 and section 2 of Part I in the Act.

"Personnel" shall include the relevant party's shareholders, owners, members of management or board of directors, agents, employees, officers, self-employed contractors, consultants, as party's associated persons under such party talent, workforce, or supply chain.

STUCTURE AND BUSINESS

IT Labs currently has offices in United States of America (HQ), Netherlands, United Kingdom, North Macedonia, and Serbia.
We provide software and information technology services to a variety of customers predominantly in the US, with strategic vision to further expand in UK and Europe.

The offices established ensure we have a variety of the service provisioning talent that customers may choose from, and talent that works functionally and operationally together to induce such trust our customers have in us. All our offices are established in democratic societies that historically have strong labor and social policies, and human rights safeguards.

POLICIES AND GOVERNANCE

IT Labs is committed to limiting the risk of modern slavery occurring in our business, ensuring there is transparency in our business and in our approach to tackling modern slavery throughout our supply chain. We expect and require that our employees and our suppliers share our commitment to help ensure modern slavery does not exist in our business and our supply chain.

IT Labs has diligently set up and is further improving measures in place that are designed to prevent and detect modern slavery in our business and our supply chain.

In this regard, the IT Labs program contains the following elements, on group level:

a) Developing and implementing policies which articulates the commitment of IT Labs to prevent modern slavery violations within its operations and supply chain, such as:

- **IT Labs Modern Slavery Act Statement**
- **IT Labs Equal Opportunities Policy** *(that ensures the commitment to act ethically and with integrity in all our business relationships and to implement and enforce effective systems and control mechanisms to ensure discrimination, harassment, bullying, unethical behavior or slavery, and human trafficking, are not taking place anywhere in our supply chains)*

- **IT Labs Talent Acquisition Process** (*that ensures the rigorous and meticulous process of acquiring and hiring talent in IT Labs is based on the merit of professional proficiency, knowledge, experience, and conduct*)
- **IT Labs Code of Conduct** (*that ensures the conduct of all personnel of IT Labs which contribute to a healthy, responsible, and safe working environment*)
- **IT Labs Anti-bribery and Corruption Policy**
- **IT Labs Anti-Tax Evasion Policy**
- **IT Labs Vetting Policy**
- **IT Labs Corporate Social Responsibility Policy**
- **Onboarding – Ethics and Compliance training**

b) Mandatory communication and presentation of our policies and all relevant elements of the program to all employees throughout IT Labs group of companies, our business partners, and our supply chain.

c) Regular annual assessment of modern slavery risks within IT Labs operations and supply chain, and the development of effective, efficient, and transparent mechanisms to reduce exposure to those risks, if any are detected.

d) Undertaking appropriate due diligence on business partners, agents, contractors, consultants, subcontractors, and suppliers, coupled with a requirement that they abide by the principles of modern slavery prevention.

e) Maintaining awareness and training all relevant individuals throughout IT Labs so that compliance with our policies that safeguard It Labs and its people from any types of forced labor and modern slavery is the duty of all relevant employees at all levels, so that individuals can recognize modern slavery practices and take steps to avoid and prevent the same.

f) Ensuring transparency in our business operations and in our approach to tackling modern slavery throughout our supply chain, consistent with our disclosure obligations under the Modern Slavery Act.

g) Ensuring safe and fair working conditions for all employees, and ensuring that no child labor is taking place, in line with minimum age laws, within the countries that it operates.

SUPPLY CHAIN MANAGEMENT AND RISKS

IT Labs employees, contractors, subcontractors, vendors, suppliers, partners, representatives, agents, and others through whom IT Labs conducts business, must not engage in any practice that constitutes any form of Modern Slavery. This includes, but is not limited to, the following activities:

- Engaging in any form of trafficking in persons.
- Using any type of forced labor in the performance of any work.
- Destroying, concealing, confiscating, or otherwise denying access by an individual to the individual's identity or immigration, residence, or labor documents, such as passports or drivers' licenses, regardless of issuing authority.
- Using misleading or fraudulent practices during the recruitment or offering of employment/contract positions to candidates; such as failing to disclose, in a format and language accessible to the potential candidate, basic information or making material misrepresentations during the recruitment of candidates regarding the key terms and conditions, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs, any significant cost to be charged to the candidate, and, if applicable, the hazardous nature of the work.
- Using recruiters that do not comply with local labor laws of the country in which the recruiting takes place.
- Charging applicants / candidates recruitment fees.
- If required by law or contract, failing to provide return transportation, or failing to pay for the cost of return transportation upon the end of employment.
- If required by law or contract, failing to provide or arrange housing that meets the host country's housing and safety standards.
- If required by law or contract, failing to provide an employment contract, recruitment agreement, or other required work document in writing.
- Failing to pay a laborer for work provided, unlawfully denying payment for labor provided or denying employee's salary right
- Paying employees below the minimum average wage prescribed by local applicable law
- Paying employees in cash, or requesting employees to return in cash any portion of paid salary via lawful manner

IT Labs expects and requires the same standards from all its contractors, suppliers, and other business partners and, as part of its contracting processes, includes due diligence against the use of forced, compulsory or trafficked labor or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same standards.

IT Labs' regular monitoring and audits shall verify that business is being conducted in compliance with this statement and the policies of IT Labs. All of IT Labs' employees and third parties through whom IT Labs conducts business are required to cooperate with IT Labs' auditors and investigators fully and promptly, and must respond fully and truthfully to their questions, requests for information, and documents. Any failure by an employee to completely cooperate, or any action to hinder an investigation or audit, including, for example, hiding or destroying any information or documentation, providing false answers or false information, or deleting emails or other documents, may be grounds for disciplinary action, up to and including termination, as well as moral, material, and criminal accountability, subject to applicable law.

Based on the nature of industry in which IT Labs provides services and undertakes business and operations, currently the historical data in the software development services industry and in the company, shows that the risk of abuses and usage of modern slavery are low. So far, there have been no complaints by any employee or individual, no recruitment or employment process has been detected to be abusing the policies of IT Labs or inducing practices contrary to the Modern Slavery Act and the principles against modern slavery or any form of forced labor. All the polices IT Labs has and applies are fully respected by the personnel.

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. So far, in our due diligence processes abusing the principles against modern slavery by any supplier of IT Labs has not been detected, nor any form of forced labor has been used.

AWARENESS

By adopting and implementing our policies and regularly communicating their requirements with our employees, we strive to maintain the awareness of our principles and requirements against modern slavery, not only in predetermined trainings, but in ongoing daily operations.
We shall also embed the modern slavery and human trafficking requirements within our onboarding process, so every employee receives proper training on the subject.

EFFECTIVNESS.

Our plans for 2023 fiscal year continue to focus on improving and enhancing our policies and procedures, as well as embedding the monitoring of compliance in our processes and supply chain operations.

We have set our new commitments **for 2023,** to achieve and enhance the effectiveness of our compliance on this important subject matter, as follows:

Area	Commitment
Supply chain	• Detailed application and reporting on our vetting policy and its upgrade, considering our supply chain, including vetting questionnaires sections addressing this subject matter • Incorporate mandatory provisions on modern slavery prohibition in all our supply chain main templates or vetting questionnaires
Training	• Further improvement of our onboarding process by including presentation sections dedicated to the subject matter, which employees shall receive as mandatory training at employment start level •
Effectiveness	Regular annual monitoring and updates

SIGNATURE AND PUBLICATION

Our Modern Slavery Act Statement 2023 is available on our website at the following link: https://www.it-labs.com/modern-slavery-act-statement/
This statement has been approved by the management of IT Labs and has been signed on their behalf by the Chief Executive Officer of IT Labs group of companies, as well as by IT Labs Group Ltd. (United Kingdom).

Branislav Gjorcevski, Group CEO	John Abadom Director IT Labs Group Ltd. (United Kingdom)
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