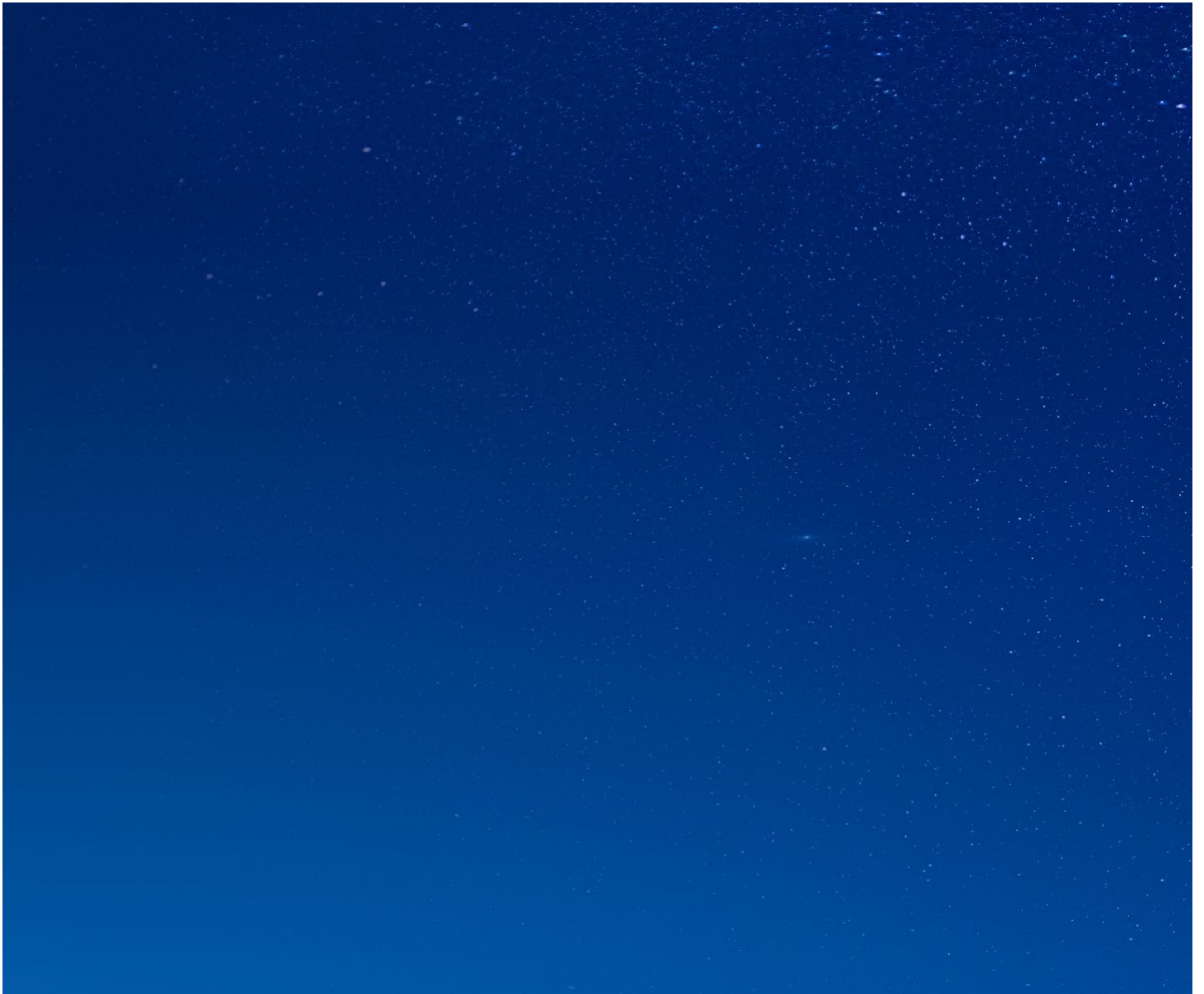




# MODERN SLAVERY STATEMENT

Reporting period of 1 January 2022 to 31 December 2022



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## 1. Introduction

This Modern Slavery Statement is a joint statement for the purposes of the *Modern Slavery Act 2018* (Cth) (the Act), in relation to the operations of Electro Optic Systems Holdings Limited (A.B.N. 95 092 708 364), a public listed company incorporated in Australia whose registered office is situated at 18 Wormald Street Symonston, ACT 2609 and the group of entities as described in Appendix A (hereafter referred to as **we**, **our**, or **EOS**).<sup>1</sup>

This Modern Slavery Statement is for the reporting period of 1 January 2022 to 31 December 2022.

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## 2. Modern Slavery

Modern Slavery is defined under the Act to mean conduct which would constitute:

- a. an offence under Division 270 or 271 of the Criminal Code; or
- b. an offence under either of those Divisions if the conduct took place in Australia; or
- c. trafficking in persons, as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, done at New York on 15 November 2000 ([2005] ATS 27); or
- d. the worst forms of child labour, as defined in Article 3 of the ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, done at Geneva on 17 June 1999 ([2007] ATS 38).<sup>2</sup>

Organisations such as Walk Free, an international human rights group focused on the eradication of modern slavery, describe modern slavery as covering a set of specific legal concepts including forced labour, debt bondage, forced marriage, slavery and slavery-like practices, and human trafficking and overall refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power.<sup>3</sup>

EOS is aware of the impacts of modern slavery, and that it is a significant problem, with 49.6 million people living in situations of modern slavery.<sup>4</sup> In managing all of its business operations, EOS commits to and upholds certain values, such as:

- Upholding high standards of honesty, integrity and ethical, responsible and law-abiding behaviour; and
- Requiring directors and employees to act with due skill, care and diligence, to act impartially and in good faith and to the best of their abilities.<sup>5</sup>

As such, EOS strictly prohibits modern slavery practices in all areas of its business and EOS is committed to operating responsibly by establishing, and adhering to the highest ethical standards, including compliance with applicable laws and other obligations.

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### 3. EOS – An Overview

EOS is a technology company that creates leading-edge products and services for a range of applications in the defence, space and communications sectors. We develop and produce world-leading technology to enhance the security and prosperity of Australia and its allies. In that regard, see the EOS Vision and Mission Statement below.

#### Operations

Our core capabilities include bespoke optical and laser assemblies, thermal imagers, day cameras, gimbal units, laser rangefinders and other high-value hardware. Our expertise in these areas, which we have been honing for almost 40 years, enables us to bring new and innovative technologies to market.



#### OUR VISION

To be Australia's most-valued space and defence company



#### OUR MISSION

To develop and produce world-leading technology to enhance the security and prosperity of Australia and its allies

#### WHAT DO WE ASPIRE TO DO BEST?

Develop and produce systems that can detect, identify, stabilise, control and communicate to improve informed decision-making

#### WHAT IS OUR PASSION?

Design and harness RF and electro-optical engineering to solve unique customer challenges

#### WHAT DRIVES OUR RESOURCING?

We depend on trusted and enduring relationships with agencies that seek to enhance national security and preprosperity

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#### Organisation

In accordance with our 2022 Annual Report, EOS has offices in six countries with activities spanning across a total of eighteen countries. EOS operates two research centres in Australia and has production facilities in Australia, the United Arab Emirates and the United States of America. The Company also has a production support depot in Singapore and offices in New Zealand and Germany.

## Staff

In accordance with our 2022 Annual Report, EOS employed 404 staff across the group in engineering, manufacturing and corporate roles globally. As of December 2022, the largest proportion of EOS' workforce (72 per cent) was based in Australia.



### 404 TOTAL EOS EMPLOYEES GLOBALLY



AUSTRALIA

290



UNITED STATES

41



UNITED ARAB EMIRATES

48



SINGAPORE

15



NEW ZEALAND

9



GERMANY

1

## 4. Supply Chain Details

EOS engages with multiple suppliers in a wide range of industries including aerospace, defence, communications, transport and logistics, ICT and telecommunications, manufacturing, professional services, marketing and cleaning services.

### Supply Chain Australia

In accordance with our 2022 Annual Report, EOS has 467 suppliers in Australia.

### NUMBER OF SUPPLY CHAIN BUSINESSES



146

Defence



321

Space and Comms

### Supply Chain International

EOS' international supply chain consists of various suppliers across a broad range of industries including aerospace, defence, communications, transport and logistics, ICT, manufacturing, professional services, and cleaning services. For example, for EOS' defence products, as of 16 November 2023, 48 suppliers are based overseas.

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## 5. Risks of Modern Slavery

EOS considers that the risk of modern slavery occurring within our operations and supply chains is relatively low, given that EOS operates in industries that are highly regulated with a complex technology focus.

Moreover, our employee base, their work, and our recruiting and hiring practices are not typically characteristic of those associated with labour exploitation and trafficking. The majority of the individuals we employ worldwide hold business-related or engineering-related degrees and perform engineering or highly skilled technical or professional jobs. Nevertheless, we are aware that some exposure exists in relation to:

- the engagement of third-party providers in industries that may have a higher prevalence of modern slavery practices. For example, operational support such as information technology and office cleaning services contracted by EOS;
- our supply chain, given EOS relies on suppliers domiciled both in Australia and overseas. The number of suppliers engaged by EOS is expected to increase as we expand our operations. We acknowledge that the risks of modern slavery may be heightened as a result of the geographical location of certain suppliers, our areas of operation, and the source of materials used in products supplied to us. However, EOS endeavors to require every member of its supply chain to meet the same legal and ethical standards that we demand of ourselves and we consider the overall risk of modern slavery in our supply chain to be low; and
- the fact that while the bulk of our operations occur in countries such as Australia, the United States, Singapore, New Zealand and Germany that are classified as low risk in regards to modern slavery, we do also have operations in more higher risk countries such as the United Arab Emirates.<sup>6</sup>

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## 6. Actions Taken

The last 18 to 24 months have been difficult for EOS, and indeed the most challenging in EOS' history, with:

- as per our 2022 Annual Report, a 29 per cent reduction in EOS' total global workforce – from a peak of 569 employees in June 2022 down to 404 employees in December 2022; and
- the appointment of a new group of executive officers, including the Chief Executive Officer and Chief Financial Officer.<sup>7</sup>

These changes came about as EOS undertook a comprehensive organisational restructuring exercise to enable it to continue to meet its trading needs.

Nevertheless, EOS is aware of its modern slavery obligations, and aims to seek continual improvement. To assess and address the risk of modern slavery practices in the operations of the Group, EOS is continuing to establish and improve upon our modern slavery management framework. In the last reporting period EOS:

- 
- included obligations pertaining to modern slavery in our supplier terms;
  - continued to ensure that any person who applies for employment at EOS does so without undue pressure and all employees are legally entitled to leave upon reasonable notice without penalty. Offers of employment at EOS continue to be conditional upon the successful completion of a required background check. These background checks are conducted with the consent of the individual and are conducted by an independent party and protect the safety of employees; and
  - reviewed our policy pertaining to modern slavery.

Furthermore, EOS is continuing its implementation of measures that encourage all group entities to consider, and where reasonably appropriate, implement the following practices:

- map the organisation's structure, businesses and supply chains;
- formulate policies and procedures in relation to modern slavery – this will involve collating current policies, identifying gaps, adapting existing policies and formulating new policies, as needed;
- conduct risk assessments – identify those parts of the business operations and supply chains where there is increased risk of modern slavery taking place;
- assess and manage identified risks – this may include carrying out further due diligence in the entity's operations and supply chains and reviewing and adapting contract terms and codes of conduct with suppliers;
- consider and establish processes and key performance indicators to monitor the effectiveness of the steps taken to ensure that modern slavery is not taking place in the business or supply chains;
- develop and make mandatory training for staff on modern slavery risks and impacts;
- establish appropriate reporting mechanisms for internal and external reporting; and
- where appropriate, respond to any reasonable queries, concerns, or information suggesting elevated risks of modern slavery in accordance with the Modern Slavery Policy.

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## 7. Assessment of Actions

Overall, EOS has not identified any issues pertaining to modern slavery during the reporting period. However, EOS recognises the importance of regularly assessing the effectiveness of the actions we take to combat modern slavery. In order to measure our effectiveness in this area, we will continually review the effectiveness of our actions.

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## 8. Consultation

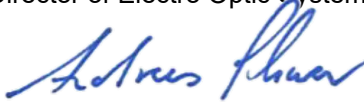
In developing this statement for the reporting period, EOS actively engaged with all the reporting entities covered by this statement and consulted with all entities we own and control, as outlined in Appendix A.

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## 9. Endorsement

This Modern Slavery Statement has been approved by the Board of Electro Optic Systems Holdings Limited (ABN 95 092 708 364). Electro Optic Systems Holdings Limited (ABN 95 092 708 364) is a 'higher entity' within the meaning of section 14(2)(d)(ii) of the *Modern Slavery Act 2018* (Cth), being the entity in a position to influence or control each other reporting entity/relevant entity covered by this statement.

This Statement is signed by Andreas Schwer in his role as the Managing Director of Electro Optic Systems Holdings Limited (ABN 95 092 708 364).



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Signature:

15 April 2024

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Date:



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## Appendix A - Entities

- Electro Optic Systems Holdings Limited;
- Electro Optic Systems Pty Limited;
- EOS Defence Systems Pty Limited;
- EOS Space Systems Pty Limited
- EOS Communications Systems Pty Limited;
- EOS USA Inc;
- EM Solutions Pty Limited;
- EOS Defence Systems USA Inc;
- EOS Defence Systems Inc;
- EOS Defence Systems PTE LTD;
- EOS Optical Technologies Limited;
- EOS Advanced Technologies LLC;
- EOS UAE Holdings Pty Limited; and
- EOS Optronics GmbH.

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## Appendix B – References

1. <https://www.asx.com.au/markets/company/EOS>
2. Section 4, Modern Slavery Act 2018 (Cth)
3. <https://www.walkfree.org/what-is-modern-slavery/>
4. <https://www.walkfree.org/reports/global-estimates-of-modern-slavery-2022/#:~:text=Forced%20Labour%20and%20Forced%20Marriage,that%20they%20were%20forced%20into.>
5. <https://eos-aus.com/about-us/corporate-governance/>
6. [Global Slavery Index | Walk Free](#)
7. [EOS Appoints New Chief Financial Officer - EOS \(eos-aus.com\); New Chief Executive Officer for EOS - EOS \(eos-aus.com\)](#)