



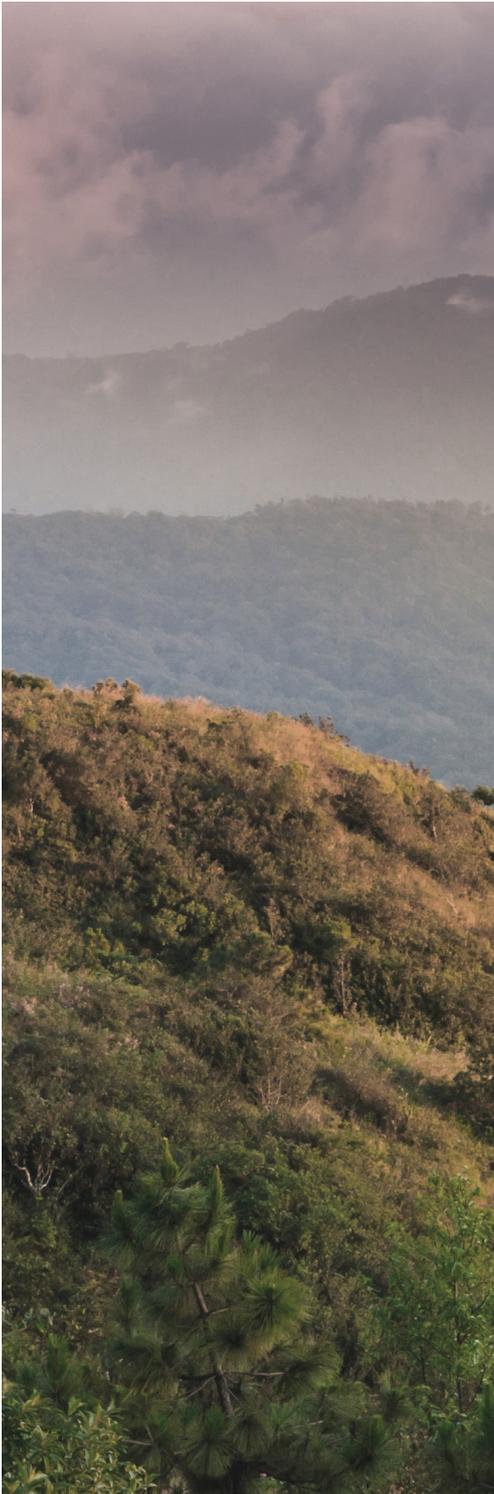
**SAAB**

# Saab Technologies Australia Pty Ltd

## Modern Slavery Statement

Financial Year 2021





# Contents

## 1. Introduction

## 2. Reporting Criteria One and Two *About Saab*

- 2.1 Organisational Structure
- 2.2 Vision, Mission and Values
- 2.3 Saab's Company Aspirations
- 2.4 Operations
- 2.5 Details of Saab's Supply Chain

## 3. Reporting Criteria Three *Risks of modern slavery practices in operations and supply chain*

- 3.1 Operational Risk
- 3.2 Supply Chain Risk

## 4. Reporting Criteria Four *Actions taken to assess and address risks*

- 4.1 Reporting Period achievements
- 4.2 Look ahead - Action and Activity Plan
- 4.3 Remediation Planning
- 4.4 Internal Controls

## 5. Reporting Criteria Five *Assessment of effectiveness*

## 6. Reporting Criteria Six *Process of consultation with entities owned or controlled*

## 7. Reporting Criteria Seven *Other relevant information*

## Message from the Board

# 1. Introduction

---

In accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth), this Modern Slavery Statement (Statement) 2021 details the plan and actions of Saab Technologies Australia Pty Ltd (ACN 002 950 790) (Saab Technologies) and its Australian subsidiaries (together, Saab) to address identified risks of modern slavery and human trafficking across its business operations and supply chain.

This Statement covers Saab's financial year 1 January 2021 to 30 December 2021 (Reporting Period) and is the second modern slavery statement to be published by Saab.

This Statement details the actions and accomplishments of Saab over the past reporting periods and outlines the planned actions and continual improvement activities for 2022 and 2023.



## 2. Reporting Criteria One and Two About Saab

---

Saab is part of a multi-national corporate group, with its group headquarters in Sweden. The global Modern Slavery Policy covering Saab and the broader corporate group sets out clear guidance to ensure that Saab's operations are at all times conducted free from modern slavery.

This is achieved through:

- providing modern slavery awareness training to relevant personnel;
- addressing the prohibition against modern slavery in relevant company rules and instructions, including Saab Supplier Code of Conduct;
- evaluating and addressing modern slavery risks in the supply chain;
- implementing and maintaining appropriate channels to report suspected violations; and
- taking appropriate disciplinary action, up to and including termination of employment or contract, in case of violations.

### 2.1 Organisational Structure

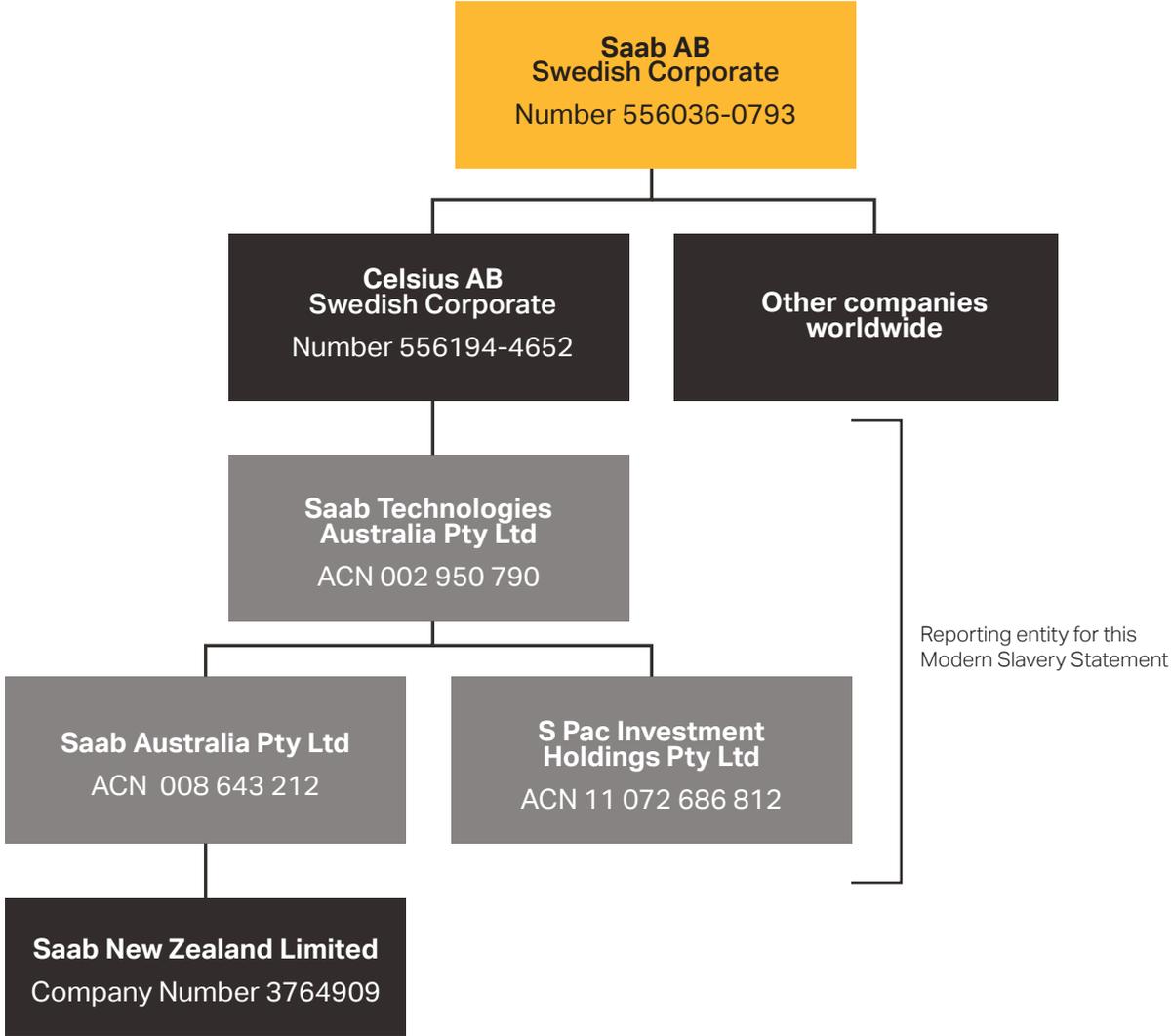
Saab Technologies Australia Pty Ltd (ACN 002 950 790) (Saab Technologies) is the reporting entity for this Modern Slavery Statement. The Australian consolidated entities covered by this Statement are:

- Saab Technologies;
- Saab Australia Pty Ltd (formerly Saab Systems Pty Ltd) (ACN 008 643 212) (Saab Australia); and
- S Pac Investment Holdings Pty Ltd (ACN 072 686 812) (S Pac)

Saab Technologies was incorporated on 11 June 1985 in New South Wales and has its registered offices at 21 Third Avenue, Mawson Lakes, South Australia.

Saab Australia and S Pac are wholly-owned subsidiaries of Saab Technologies. Saab Technologies is, in turn, ultimately owned by Saab AB (publ), a public company listed on the Stockholm stock exchange. The following diagram sets out Saab's corporate ownership structure.

### Ownership Structure



While Saab Technologies is the financial reporting entity in Australia, Saab Australia is the operating entity and has all the Australian employees, management team, operational structures and supply chain functions for the listed entities.

## 2.2 Vision, Mission and Values

<b>VISION</b>	It's a human right to feel safe.
<b>MISSION</b>	To make people safe by pushing mental and technological boundaries.
<b>VALUES</b>	Trust – We are global citizens, honest and reliable and we keep our promises. Expertise – We combine knowledge, skills and constant learning. Drive – We have a passion for innovation, we are open to change and are committed to being fast and flexible

## 2.3 Saab's Company Aspirations

Saab is recognised as a technological leader by the defence and security community. We are a large, diversified and profitable company, committed to growing in our existing and emerging markets.

Our customers and partners are our greatest ambassadors – they trust us, and know we deliver. Our people are central to our success. We support them to develop, contribute and achieve.

Our culture is at the heart of who we are. We live by our values. The best and the brightest people and leading companies want to work with us.

## 2.4 Operations

Saab has been providing high technology military systems to the Australian Defence organisation through Saab Australia since 1988. The company's core business is the development, integration, production and support of advanced operational systems for Defence and security applications.

Based in Adelaide, South Australia, and employing over 655 Australians, Saab is one of the country's most respected defence and security system integrators. Saab is a leader in the research and development of Australia's future combat power and command and control technology.

Saab Technologies is part of the Swedish-based 'Saab Group' (with Saab AB as ultimate holding company) which employs some 18,150 people worldwide, generating annual revenues exceeding AUD 5.5 billion. Saab provides a base for the Saab Group's global operations within Australia; including defence C4I systems, radars, weapons, underwater vehicles, training, deployable hospitals, security and air traffic management applications. Importantly, Saab also provides a direct link to the extensive global portfolio of the Saab Group's products and services.

Saab has offices in Adelaide, Canberra, Melbourne and Perth – with projects being executed across Australia and New Zealand.

As noted above, Saab Australia is the operating entity in Australia – having all the operations employees, management team and the associated supply chain management.

## 2.5 Details of Saab's Supply Chain

During the Reporting Period, Saab Australia spent approximately \$105M with around 700 suppliers. Of this, approximately 80% of that spend was with 'Tier 1' suppliers (being Saab's top 50 suppliers by spend).

An analysis of the Tier 1 spend shows:

- ~75% is spent with suppliers based in Australia;
- ~15% is spent with entities within the Saab Group based in Sweden; and
- ~10% is spent with suppliers from a small range of other countries - USA, Denmark, and the UK.

The goods and services Saab procures from its Tier 1 suppliers can be broadly categorised into the following four groups:

- Goods and services procured from Saab Group entities;
- Electronic components and higher level electronic assemblies;
- Recruitment and/or labour hire services for Saab Australia's operations; and
- Corporate business services (banking, telephony, real estate, etc).

The modern slavery risks associated with these categories are addressed further in the next section of this Statement.



# 3. Reporting Criteria Three

## Risks of modern slavery practices in operations and supply chain

---

### 3.1 Operational Risk

Saab has been operating in Australia since 1985, with facilities and projects across the country.

Saab is confident that, as a result of detailed internal audit processes, compliance programs and contract management processes, any operational modern slavery risk is low. These processes are supported by Saab's Enterprise Risk Management Framework, which is monitored and reviewed regularly by Saab's senior management team.

During the Reporting Period, Saab has not identified any modern slavery risks in its operations. Saab is continually reviewing and developing its audit and compliance programs and enhancing its due diligence processes to ensure any risks can be promptly identified and resolved.

### 3.2 Supply Chain Risk

During the Reporting Period, Saab undertook a risk assessment of its supply chain based on the following process:

**(a) Identify the various tiers of Suppliers**

In reviewing data for the Reporting Period, Saab identified that it engaged with 700 suppliers with whom it spent ~\$105M.

These suppliers were then divided into tiers based on spend as follows:

- Tier 1 – top 50 suppliers by spend; and
- Tier 2 – all other suppliers.

Saab intends to undertake a further risk assessment of Tier 2 suppliers in future years.

Tier 1 suppliers represent \$83M of the total spend within Saab's supply chain.

**(b) Identify risk by category of supplies**

Saab has assessed each primary category of goods/services received from Tier 1 suppliers on the following basis:

Category	Comment	Risk
Supplies from Saab Group entities	Supplies include procurement of hardware, software, technical data and training materials Saab AB (being the ultimate parent company of the Saab Group) has a group-wide modern slavery policy in place along with a detailed supplier code of conduct to manage its own supply chain. The Saab Group undertakes comprehensive supplier on-boarding and continuous assessment processes to manage its supply chain.	Low
Electronic components/ assemblies	Saab's supplier is often a third party distribution company. Saab does not generally procure these supplies direct from the manufacturer. Saab has assessed these supplies as medium risk due to the possible origin of the component level parts.	Medium
Recruitment/ labour hire	While labour hire could be characterised as high risk, Saab considers the labour hire services it procures to be low risk due to the nature of the roles and personnel sought for these engagements. In particular, Saab only procures these supplies for Australian locations and generally procures only trade- or professional-qualified individuals through reputable labour hire and recruitment suppliers.	Low
Corporate business services	Saab's main procurements in this category are travel related services and business services such as banking, telecommunications, legal and regulatory costs. The nature of these services are such that there is a low risk of modern slavery implications.	Low



**(c) Characterise Suppliers – high, medium, and low risk**

Saab has undertaken a risk assessment of all Tier 1 suppliers taking into account the following factors:

- industry sector;
- commodity/product line and likely risks in accordance with item (b) above;
- country of origin;
- published international Global Slavery Index 2018;
- Saab’s in-house due diligence processes;
- Saab’s Supplier on-boarding processes; and
- review of each Supplier’s modern slavery statement (if applicable and to the extent published during the Reporting Period).

As a result of this risk assessment of Tier 1 suppliers, Saab has identified in this Reporting Period:

- 0 high risk suppliers;
- 5 medium risk suppliers; and
- 45 low risk suppliers.

‘Medium risk’ has been applied to Saab’s Tier 1 suppliers who are likely to source raw materials and goods electronics assembly from higher risk locations in the world including, for example, electronics from China.

**(d) Implement a strategy for each risk class of supplier**

In the 2020 reporting period, Saab established strategies to mitigate risks associated with each risk class of supplier as follows:

<b>Risk Class of Supplier</b>	<b>Strategies to mitigate risk</b>
Low	Detailed questionnaire and on boarding processes with a subsequent audit of their questionnaire response  Continuous monitoring

<b>Risk Class of Supplier</b>	<b>Strategies to mitigate risk</b>
High/Medium	Detailed questionnaire and on boarding processes  Detailed understanding of their supply chain  Work with suppliers to strengthen their internal policies and procedures if required  Targeted audits to ensure adherence to human rights standards and their response to modern slavery questionnaire  Continuous monitoring

During the Reporting Period, Saab has implemented these strategies for each of the suppliers listed in section c above.

**(e) *Identify which categories of suppliers to be audited, and when to be audited***

All new Tier 1 suppliers identified by Saab's Procurement team as having a medium risk (or higher) will be audited against their questionnaire response by the Saab Quality team during the 2022 reporting period.

Existing suppliers will be revisited when their circumstances change or otherwise at regular intervals as part of Saab's ongoing modern slavery compliance program.

**(f) *Consider what/if remediation processes are needed if modern slavery issues are identified in the supply chain***

If any modern slavery risks are identified in Saab's supply chain, the relevant supplier will be given the opportunity to take remedial action. If this remedial action is not complete, or proves ineffective within 30 days from identification, the supplier will be removed from Saab's approved supplier list.

During the Reporting Period, Saab received questionnaire responses from all Tier 1 suppliers (except those outlined in section (h) below). This identified a small number of suppliers where there were opportunities for improvement in their understanding of their modern slavery obligations. During 2022, Saab will engage further with these suppliers to improve their reporting, understanding and engagement on modern slavery issues.

**(g) *Tools required to assist in recording***

In this Reporting Period, Saab has used a manual process to track and record this activity. Once complete, these records will be archived in Saab's Document Management System to ensure version control and point-in-time reporting is available.

Saab will continue to investigate supplier on-boarding and supplier relationship management tools assessment in the 2023 reporting period. As part of that consideration, Saab will investigate options to automate and better report against the modern slavery activity and requirements.

**(h) *Reporting exemptions***

In undertaking its assessment, Saab Technologies has excluded suppliers who are part of the Saab Group and suppliers who are contracted at a Saab Group level from the supplier questionnaire process. These suppliers are subject to modern slavery review and on-boarding processes by the Saab Group at a global level.



## 4. Reporting Criteria Four

### Actions taken to assess and address risks

#### 4.1 Previous Reporting Period achievements

The following table outlines the status of the key Actions and Activities for the 2020 reporting period and the Reporting Period, as outlined in Saab's 2020 Modern Slavery Statement.

Action/Activity	Status
Modern slavery working group established	Achieved
Framework and risk identification: <ul style="list-style-type: none"> <li>Development of internal processes</li> <li>Risk assessments – Saab operations and supply chain</li> </ul>	Achieved
Whistleblower policy and hotline established	Achieved
Identification of internal tools and system needed	Achieved
Commercial documents and artefacts identified for update to reflect the requirements of the Modern Slavery Act	Achieved
Supply chain mapping completed: <ul style="list-style-type: none"> <li>Identify tiers of suppliers</li> <li>Risk classification</li> <li>Determine strategy for each tier</li> </ul>	Achieved
Consult with related entities on the development of the modern slavery statement	Achieved
Development of detailed supplier questionnaire	Achieved
Complete screening of Tier 1 supply chain	Achieved
Communication strategy for the Saab global MS Policy Statement and Supplier Code of Conduct	To be finalised in 2022
Commence the audit of Tier 1 medium/high risk responses to the supplier questionnaire	Underway - to be finalised in 2022
Documents and commercial templates updated to reflect the requirements of the Modern Slavery Act	To be finalised in 2022
Targeted training developed and delivered	Achieved
Identify any remediation actions needed in our supply chain or internal processes	Achieved

In addition to the above, during the Reporting Period, Saab conducted an internal audit which identified a number of opportunities to improve internal processes and record keeping in relation to its efforts to combat modern slavery. These opportunities to improve have been implemented and form part of the baseline of Saab's activities moving forward.

## 4.2. Look ahead - Action and Activity Plan

Saab established a modern slavery working group in 2020 with representatives from Saab's Procurement and Contract Management functions. While the working group undertakes key planning and implementation activities, Saab recognises that broad consultation is important to Saab's ongoing efforts to combat risks of modern slavery. To that end, the working group also consulted with other specialist company representatives as needed – Legal, Quality, Finance and Human Resources.

During the Reporting Period, Saab's working group continued with the development and execution of Scheduled Action and Activity plan items to address Saab's modern slavery operational and supply chain risks, along with the drafting of this 2021 Modern Slavery Statement.

Saab's road map for the next two years is detailed below:

### Action and Activity Plan

Focus for 2022	Focus for 2023
Complete screening of new Tier 1 suppliers & existing medium or high Tier 1 suppliers who have not been screened or where circumstances have changed	Continue with targeted training of our workforce
Update the Saab Supplier Portal with the Saab global MS Policy Statement and Supplier Code of Conduct	Identify any remediation actions needed in our supply chain
Benchmark our performance and engage with industry groups	Consult with industry and the Australian Border Force for continuous improvement of our modern slavery processes
Complete the updating of documents and commercial templates to reflect the requirements of the Modern Slavery Act	Investigate supplier on boarding and relationship management assessment tools to assist in automation of the process
Identify ongoing supplier agreements that require amendment to reflect modern slavery identification processes	Continue with any required auditing of our supply chain
Continue the roll-out of modern slavery training to new employees in the agreed target groups/ roles	Undertake a risk assessment of Tier 2 suppliers
Review the supplier questionnaire for completeness and potential updates to improve utility of responses	Review modern slavery training package to ensure it is meeting the training needs of the business
Due diligence processes – review and update as necessary	
Continue with the audit of Tier 1 medium/high risk responses to the supplier questionnaire	

## 4.3 Remediation Planning

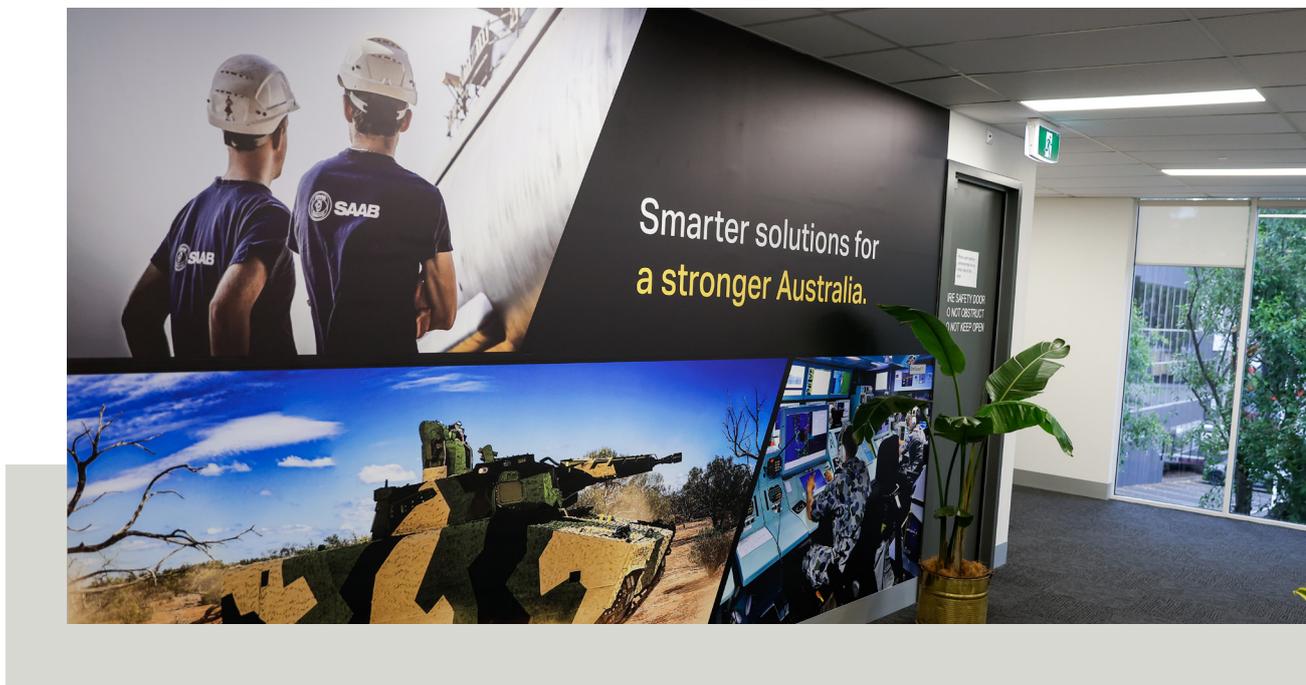
If Saab identifies any modern slavery risks in its operations or supply chain, Saab will as soon as reasonably possible:

- stop that activity if internal to Saab's operations and address immediately. If the risk is related to part of Saab's supply chain, Saab will address the risk directly with that supplier;
- take steps to address any adverse impact; and
- develop a plan to ensure there are no reoccurrences.

## 4.4 Internal Controls

Saab has a comprehensive list of policies and procedures that will assist Saab's implementation of a comprehensive plan to manage and report on modern slavery issues in Saab's operations or supply chain. These include:

- Saab Group Supplier Code of Conduct
- Saab Group Modern Slavery Policy
- Whistleblower Policy and Hotline
- Risk Management Framework
- Employee Code of Conduct
- Compulsory compliance training for key personnel



## 5. Reporting Criteria Five

### Assessment of effectiveness

---

Saab acknowledges the importance of continuously improving and assessing the effectiveness of Saab's processes and procedures to mitigate the risk of modern slavery in its operations and supply chain.

Saab will continue its assessment process to ensure its response to modern slavery is functioning and Saab's actions are making a difference.

Saab has and will continue to demonstrate this by the following actions:

- Annual management review of Saab's response to modern slavery;
- Review of risk assessment processes;
- Enterprise risk register reviewed and updated;
- Ongoing internal engagement and feedback;
- Scheduled internal audits and supplier audits;
- Track and monitor Saab's progress in a systematic way;
- Work with Saab's supply chain to check how they are progressing with the implementation of their modern slavery policies and processes; and
- Contracts and purchase order terms to include modern slavery notification obligations.

#### 5.1 Internal Audit outcomes

During the Reporting Period, an internal audit was conducted to:

- Ensure that Saab is fulfilling its modern slavery reporting requirements; and
- To review the modern slavery questionnaire responses received from Saab's high and medium risk suppliers, to understand their current processes and controls to address modern slavery risks and identify whether any additional support or remediation is required for those suppliers.

The audit found that Saab's published 2020 Modern Slavery Statement was compliant with the reporting requirements of the Commonwealth's Modern Slavery Act.

Two opportunities for process improvement identified in the internal audit have been addressed and implemented by Saab's modern slavery working group.

## 6. Reporting Criteria Six

### Process of consultation with entities owned or controlled

---

Saab Technologies is the reporting entity for this Statement and provides this Statement on its own behalf and on behalf of all of its wholly-owned Australian subsidiaries, being those set out in Section 2 of this Statement (together, the Controlled Entities)).

The Controlled Entities all operate under the direction and governance of Saab Australia and share the same senior management group.

Saab Technologies has prepared this Statement with input from the operational business units and the central corporate functions that service each of the Controlled Entities.

The Company Secretary for each Controlled Entity has also been informed of this 2021 Statement and has been provided the opportunity to comment.



## 7. Reporting Criteria Seven

### Other relevant information

---

Saab AB (publ) has its own Modern Slavery Policy statement and Supplier Code of Conduct which applies to the whole of the Saab Group and which the Controlled Entities adhere to.



# Message from the Board

---

In line with Saab's vision and our fundamental belief that "it is a human right to feel safe," we support industry-wide eradication of all forms of modern slavery.

We are committed to maintaining the highest levels of governance, monitoring and reporting to ensure our operations and our supply chains are free from all forms of modern slavery.

As such, the Board of Saab Technologies Australia Pty Ltd is pleased to endorse this Statement for itself and on behalf of each Controlled Entity.

This Statement of commitment details Saab's ongoing operational and supply chain risk analysis and mitigations and details our framework for the next two years.

## Board Approval

This Statement was approved by the Saab Technologies Australia Pty Ltd Board on 4 May 2022.



**Dean Rosenfield**

*Chair*



**Andy Keough**

*Managing Director*