

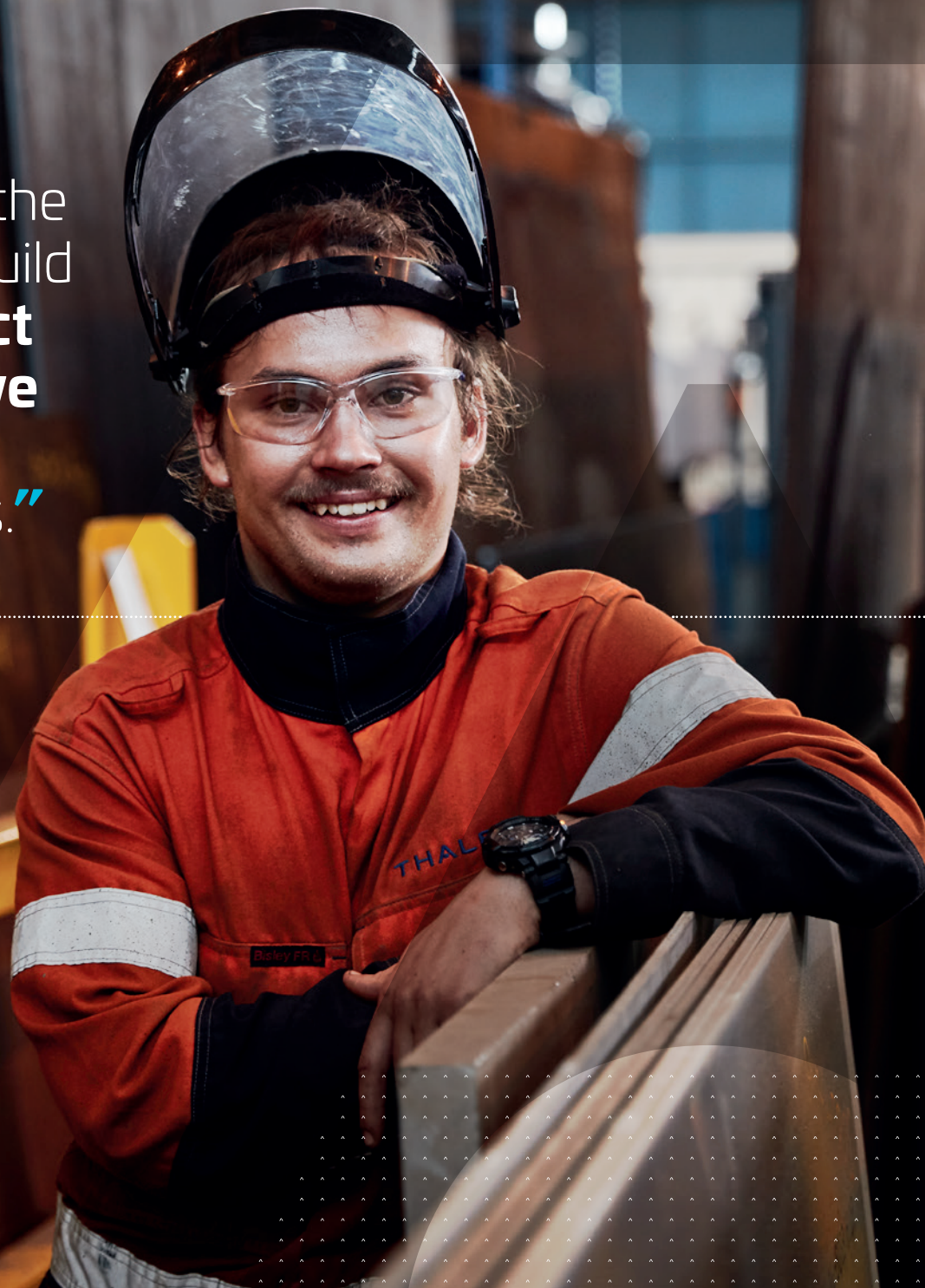


THALES
Building a future we can all trust

Thales Australia Modern Slavery Statement 2020



“ We want to ensure the future we’re helping to build is one of **dignity, respect and meaningful positive impact** for all those who work at, and with, Thales.”



Message from our CEO

Chris Jenkins

At Thales Australia we are deeply committed to ensuring our organisation and supply chain operates with integrity and without exploitative practices. We strongly oppose modern slavery in all its forms.

As a global organisation that delivers critical capabilities worldwide, we have a fundamental responsibility to ensure our operations, and those we work with, adhere to ethical practices and demonstrate a dedication to corporate social responsibility.

Thales Australia's purpose is to 'build a future we can all trust' and our position on modern slavery aligns with this vision. We must ensure the future we're helping to build is one of dignity, respect and meaningful positive impact for all those who work at, and with, Thales Australia. For us, trust begins at home and we have embedded robust systems within our organisation to ensure our people are employed and remunerated under lawful and ethical labour conditions and practices. These systems are regularly reviewed and reported on to ensure we're continuously and consistently operating in an ethical way.

Our close collaborative relationships with local customers, and over 3000 Australian SME suppliers in our supply chain, means our reach extends to a broad range of communities. Because of this, our review process is all the more important and we ensure a robust screening process when onboarding suppliers to ensure their practices and conditions demonstrate dignity and respect.

The measures outlined in this document, along with our robust review processes and organisational values, provides a guiding framework to reduce the risk of modern slavery in our practices and with our suppliers; working to truly make a difference.

This statement was approved by the board of Thales Australia on 29 June 2021. Our review and approval process is set out on page 20.







Chris Jenkins

Chief Executive Officer
Thales Australia



Table of contents

	Identification of the reporting entity	5
	Our structure, operations and supply chains	6
	Assessment of the risk of modern slavery practices in our operations and supply chains	8
	Actions taken to assess and address these risks	10
	Assessing the effectiveness of these actions	18
	Process of consultation	20
	Strengthening our modern slavery prevention actions	22

Identification of the reporting entity

This is the 2020 Modern Slavery Statement ('Statement') for Thales Australia Limited ACN 008 642 751 ('Thales Australia') prepared in accordance with the requirements of the Commonwealth Modern Slavery Act 2018 ('the Act').

Thales Australia is a subsidiary of Thales Australia Holdings Pty Limited (ACN 058 583 841) (Parent Company). The Parent Company is ultimately owned by Thales SA. Thales SA is a French société anonyme (joint-stock company), identified with number 552 059 024. Other than Thales Australia, no other entity of the Parent Company meets the reporting entity criteria under the Act and is not covered by this Statement.

References to 'us', 'our' and 'we' in this Statement are references to Thales Australia. We refer to Thales SA as 'Thales Group' or 'Group' in this Statement.

This is our first modern slavery statement. It outlines the steps we have taken during the reporting year ending 31 December 2020 to detect, assess, and mitigate the risk of modern slavery practices within our operations and our supply chain.





SME's make up
70%
of Thales's
Australian suppliers



\$100m
in self funded R&D
over the next 3 years



100
Australian suppliers
have won contracts with Thales
globally through the Australian
Government's Global Supply
Chain program

Our structure, operations and supply chains

Thales Australia develops and delivers complex systems that push the boundaries of technological excellence through its expertise and infrastructure.

The capabilities of Thales Australia span a wide spectrum of high technology products and services. Many of these solutions are the outcome of patient investment in, and collaboration with, local Small and Medium Enterprises (SMEs) who are an integral part in delivering to our customers. In 2020, we procured approximately \$1.27 billion of goods and services through our centralised Procurement team. Thales Australia primarily operates within Australia. Our corporate headquarters are located in Sydney, with branches in Taiwan, Philippines and Singapore.

In 2020, we provided goods and services to more than 20 countries across the Asia Pacific, Europe, the Middle East, Central America and Africa.

Thales Australia operates in the following markets:



Digital Systems is wide ranging and includes:

Avionics - provides simulators for civil & military aviation, land vehicle simulators, training environments, avionics and electronics for military and civilian aircraft, mission and unmanned aerial vehicle systems.

Ground Transportation Systems - provides world-class capabilities in ground transportation systems including urban and main line signalling solutions, train control and supervision systems, light rail control systems, transport information systems, secured revenue collection systems for public transport and roads, and equipment calibration.

Secure Communications and Information Systems - provides ICT solutions to defence and other national security organisations involving secure systems, encryption products & solutions, electronic security, software, networks cybersecurity and communications.



Land - Vehicles & Tactical Systems designs, installs and supports a wide spectrum of systems, equipment, and services for land forces involving protected mobility systems, vehicles, small arms, soldier systems, ordnance, munitions, Optronics, integrated logistics and through life support.



Air - Airspace Mobility Solutions delivers advanced operational and navigational control capabilities involving air traffic management solutions, navigational aids, detection and communications systems, tower systems, air traffic control centres, and through life support services.



Sea - Above Water Systems and Underwater Systems provide design and delivery of networked maritime warfare solutions and comprehensive through life support capabilities involving sonar and underwater systems, mine warfare, electronic warfare, radars, command and control.

Supporting our businesses are Corporate departments which include Finance, Operations, Legal & Contracts, Human Resources, Strategy, External Affairs & Communications, Technical & Engineering, Marketing & Sales and Health Safety and Environment (HSE).

Our Australian Presence

Darwin & Cairns
 Providing asset management services in support of the Armidale Class Patrol Boat fleet.
 Providing ARH Tiger simulator support services to Army at Robertson Barracks near Darwin.

Eagle Farm
 Key sustainment location for the Bushmaster and Hawkei vehicles.

Lithgow
 Design, development and manufacture of the ADF's in service rifle for more than 100 years.

Myambat
 Key sites for Thales's Armaments Service which provide end to end logistics for the provision, distribution and maintenance of ordnance at 245 sites around Australia.

Sydney Olympic Park
 Thales Australia's corporate headquarters, \$10m invested in a new building, bringing together numerous business units.

Garden Island, Waterhen & Newcastle
 Ship repair and maintenance; dockyard management.

Rydalmere
 Design, manufacture and export of submarine sonar systems, anti-submarine warfare systems, mine countermeasures, secure communications, training and simulation, ground transportation.

Orchard Hills
 Key sites for Thales Australia's Armaments Service which provide end to end logistics for the provision, distribution and maintenance of ordnance.

Canberra
 Providing hardware and software support services for critical Command & Control and telecommunications systems used on operations.

Mulwala & Benalla
 Partnering with over 600 SMEs and suppliers to design and manufacture world leading small arms ammunition and propellant to the ADF and its allies for over 20 years.

Melbourne
 One of Thales's global centres of excellence in Air Mobility Solutions, over \$1bn of exports of ATM/AMS systems over the last 10 years.

Bendigo
 The design, manufacture and export of the Bushmaster and Hawkei vehicles; Thales Australia's Vehicle Centre of Excellence.

Perth & Rockingham
 Collins Class Submarine Sonar, Submarine Training & Simulation Support, MU90 Lightweight Torpedo and Surface Ship Sonar sustainment, Explosive Ordnance Services, Software Development Services.



3800 employees
 37 sites

Assessment of the risk of modern slavery practices in our operations and supply chains

In this Statement, we adopt the definition of modern slavery as set out in the Act - situations where coercion, threats or deception are used to seriously exploit victims and undermine or deprive them of their freedom. This includes human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. Whilst the definition in the Act does not include substandard working conditions or the underpayment of workers, these are practices which we do not tolerate as part of our commitment to corporate responsibility and recognise that unaddressed, may escalate into modern slavery.

We have assessed the risk of modern slavery within our operations and supply chain for the reporting period. Our assessment considered whether we may cause, be linked to, or contribute to modern slavery. We assessed the inherent risk of modern slavery across our workforce and supply chain by using data from the 2018 Global Slavery Index ('GSI') and 2020 Transparency International Corruption Perceptions Index ('CPI') to help identify at-risk countries, sectors, and products and services.

WORKFORCE

To assess the risk of modern slavery within our workforce, we considered the types of workers we engage, their location, and the arrangements we have in place. We consider there is an inherently low risk of modern slavery within our workforce.

Direct Workers

Most of our workforce are:

- directly employed by us;
- covered by Commonwealth Fair Work legislation and Fair Work approved enterprise agreements or modern awards; and
- subject to recruitment processes which include processes to ensure eligibility to work.

Labour Hire & Contingent Workers

We have established relationships with the providers of our labour hire and contingent workers. Our contracts contain provisions to mitigate the risk of modern slavery in these employment arrangements. Labour hire and contingent worker contracts are also subject to Fair Work legislation.

SUPPLY CHAIN

Our supply chain refers to the goods and services we procure through subcontractors, suppliers and service providers (collectively referred to as 'suppliers' in this Statement).

To assess the risk of modern slavery within our supply chain, we considered the geographic location, industry sector, products and services, and governance of our suppliers. In July 2020, we engaged a third party to conduct a transparency assessment of our suppliers considering human rights and labour, environmental factors, and governance.

Using these results, GSI data and CPI data, we have identified the following categories of goods and services as being inherently at a higher risk of exploitation across tier 1 of our supply chain. We address the actions we have taken to mitigate these risks in the next section of this Statement.



Electronics & technology

including laptops, computers and mobile phones



Property & Facilities management

outsourced services including office maintenance and cleaning



Materials

such as building materials, ammunitions, consumables, electronic components, and labour used



Apparel

including items such as uniforms and personal protective equipment



Office consumables

such as tea, coffee and stationery

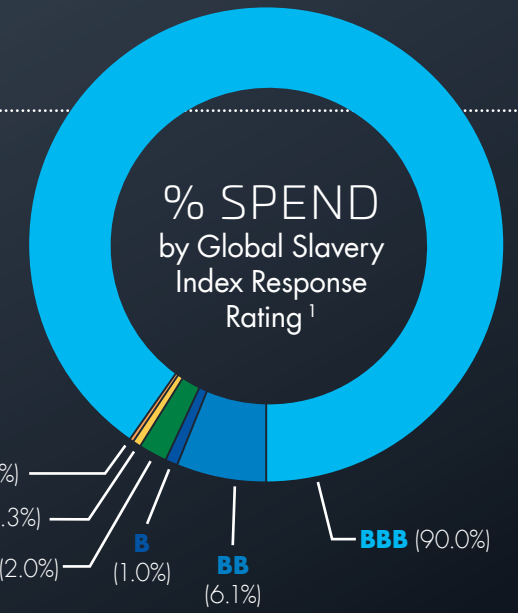
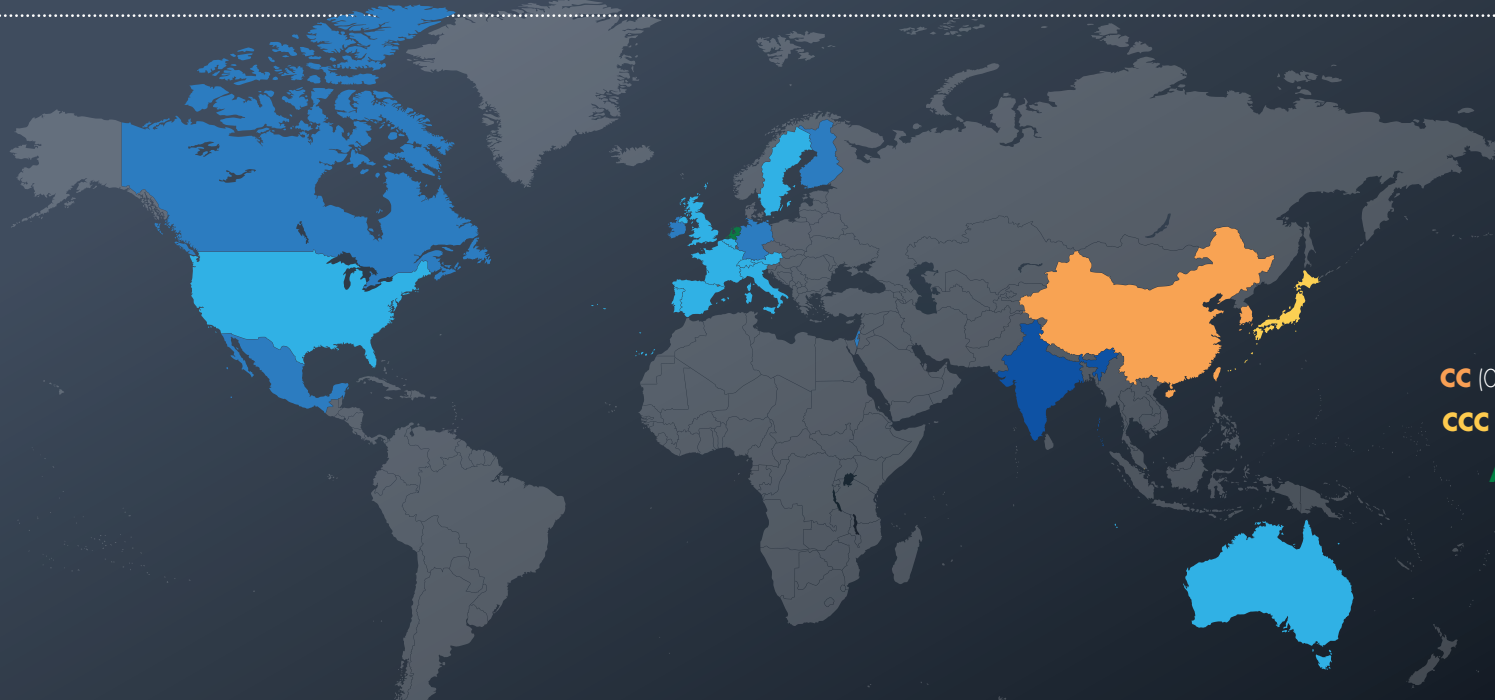


Hospitality

including catering and other food services, and business travel (including air travel, vehicles and accommodation)

2020

Procurement Worldwide Spend



COUNTRY	% ²	GSI RESPONSE RATING ¹	VULNERABILITY SCORE ³	CPI RANK ⁴
AUSTRALIA	63.2%	BBB	4.27	11
FRANCE	14.2%	BBB	15.25	23
ISRAEL	4.1%	BB	26.42	35
BELGIUM	3.6%	BBB	13.05	15
USA	3.4%	BBB	15.88	25
AUSTRIA	2.6%	BBB	3.35	15
NETHERLANDS	2.0%	A	6.11	8
GERMANY	1.9%	BB	10.44	9
INDIA	1.0%	B	55.49	86
UK	1%	BBB	11.13	11
ITALY	0.9%	BBB	28.29	52
SPAIN	0.7%	BBB	12.80	32

COUNTRY	% ²	GSI RESPONSE RATING ¹	VULNERABILITY SCORE ³	CPI RANK ⁴
PORTUGAL	< 0.5%	BBB	8.49	33
SINGAPORE	< 0.5%	CCC	13.41	3
SOUTH KOREA	< 0.5%	CC	29.83	33
CANADA	< 0.1%	BB	10.20	11
CHINA	< 0.1%	CC	50.65	78
SWITZERLAND	< 0.1%	BBB	1.51	3
JAPAN	< 0.1%	CCC	13.81	19
SWEDEN	< 0.1%	BBB	4.27	3
FINLAND	< 0.1%	BB	8.23	3
IRELAND	< 0.1%	BB	10.35	20
MEXICO	< 0.1%	BB	57.31	124

1 - Global Slavery Index Government Response rating (<https://www.globalslaveryindex.org/2018/data/maps>)

2 - Percentage of total procurement spend in 2020

3 - Global Slavery Index Vulnerability to Modern Slavery score (<https://www.globalslaveryindex.org/2018/data/maps>)

4 - Transparency International Corruption Perceptions Index rank (<https://www.transparency.org/en/cpi/2020>)

Actions taken to assess and address these risks



We have taken a multifaceted approach to assessing and addressing modern slavery risk. We have considered our governance framework, the policies and procedures applicable to our workforce and supply chain, remediation measures in place, and engagement and awareness actions taken.



GOVERNANCE FRAMEWORK

Our governance framework demonstrates our dedication to managing the risks associated with modern slavery. It is comprised of a number of key policies including our Code of Ethics and Code of Conduct, and provides for multiple levels of oversight and action to ensure we meet our corporate responsibility commitments. We consider it provides us with a strong foundation for identifying, addressing and managing our modern slavery risk.

THALES GROUP

Modern slavery is encompassed in the Thales Group approach to Corporate Responsibility and Integrity. It sets processes and procedures we are required to follow to minimise risks arising from corruption, bribery and modern slavery. There are various group-level governance committees including the Integrity and Compliance Committee, Risk Assessment Committee and Strategic and Corporate Social Responsibility Committee.



THALES AUSTRALIA BOARD & BOARD COMMITTEES

Our Board is responsible for overseeing our operations and approving the annual modern slavery statement. It receives updates from the Compliance Audit and Risk ('CAR') Committee as required. The CAR Committee is made up of directors and members of Thales Australia executive leadership team. It assists the Board to fulfil its responsibilities concerning modern slavery compliance.

MANAGEMENT COMMITTEES

Management committees that govern various aspects of our modern slavery approach include:

Ethics Committee: The Thales Australia Ethics Committee is chaired by our Chief Compliance Officer. It oversees the implementation, assessment and reporting of the Group's Integrity and Compliance program as well as identifying the main focus areas of other ethics, integrity and corporate responsibility policies in line with the values and priorities that the Group and Thales Australia Board has defined. The Committee also assesses the criticality of internal alerts made and any allegations of integrity or compliance violations brought to its attention. In addition, the Committee defines and allocates resources for promoting and sharing a culture of ethics, integrity and corporate responsibility within our organisation.

Procurement Compliance Committee: The Procurement Compliance Committee is attended by representatives of our procurement and legal teams to review procurement arrangements against criteria including anti-corruption and modern slavery. It considers whether the requisite due diligence processes have been followed, engagements should be entered, and whether remediation actions are required.



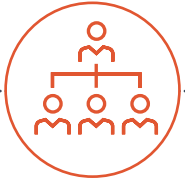


DUTY OF CARE PLAN

The prevention of violations of human rights and fundamental freedoms, the health and safety of people and the environment is a fundamental imperative, and one which goes beyond strict compliance with the laws and regulations in force. The Group has developed and regularly updates a Duty of Care plan, which includes:

1. Risk mapping for identification, analysis and prioritisation of risks
2. Procedures for the assessment of suppliers
3. Risk mitigation or prevention actions
4. A mechanism for alerting and reporting risks; and
5. A system for monitoring implemented measures and evaluating their efficiency with Group's Duty of Care plan informs our approach to modern slavery mitigation and is reflected in the policies and due diligence procedures we have implemented.





WORKFORCE

DIRECT EMPLOYEES

We employed approximately 90% of our people as direct employees (who may be permanent, fixed term, or casual employees). These employment arrangements are governed by Fair Work legislation, which provides a safety net of minimum entitlements, enables flexible working arrangements and prevents employee discrimination.



Enterprise Agreements

We have six enterprise agreements that have been assessed against the Fair Work Act and the relevant modern awards, and approved by Fair Work Commission. These enterprise agreements are registered and legally binding instruments.

LABOUR HIRE & CONTINGENT WORKERS

Labour hire and contingent workers made up approximately 10% of our workforce. Our contracts with labour hire and contingent worker providers were reviewed in 2020. These contracts

- provide for these workers to receive the rates set out under the relevant enterprise agreements (in line with our direct employees);
- require that providers warrant compliance with anti-slavery and human trafficking policies and legislation, and implementation of processes to assess their own modern slavery risks; and
- require that providers notify us of any actual or suspected modern slavery by a person or within a supply chain affecting our engagement.

Time Management Systems

To provide added protection for our workers, we began implementing a replacement time and record keeping management system in 2020 and continue to do so into 2021. This system allows us to track the hours our employees work to ensure correct conditions are applied.

TRAINING

Onboarding

Our recruitment and onboarding processes are rigorous to ensure that all employees are subject to a fair, transparent and consistent interview and selection process. We ensure that all employees have a right to live and work in Australia. Depending on the role, we may also undertake criminal record checks. Employees are well informed of our expectations and are required to complete an ethics awareness module as part of their onboarding training.

Policies & Procedures

We endeavour to conduct our business in a safe, responsible and sustainable manner. We have policies and procedures within Thales Australia. The Code of Ethics, available on the Group's website and intranet, is systematically given to new employees and signed by them. This makes them aware, from the very beginning of their employment, of the ethical principles that govern our company, including expectations in relation to equality of treatment, avoiding any discrimination, ensuring respect and providing a safe and healthy working environment.

We support our people managers through ongoing training to ensure our employees are working under fair conditions and in a safe environment. Our health and safety policies cover various facets of workplace safety and underpin our mission to build a proactive safety culture.

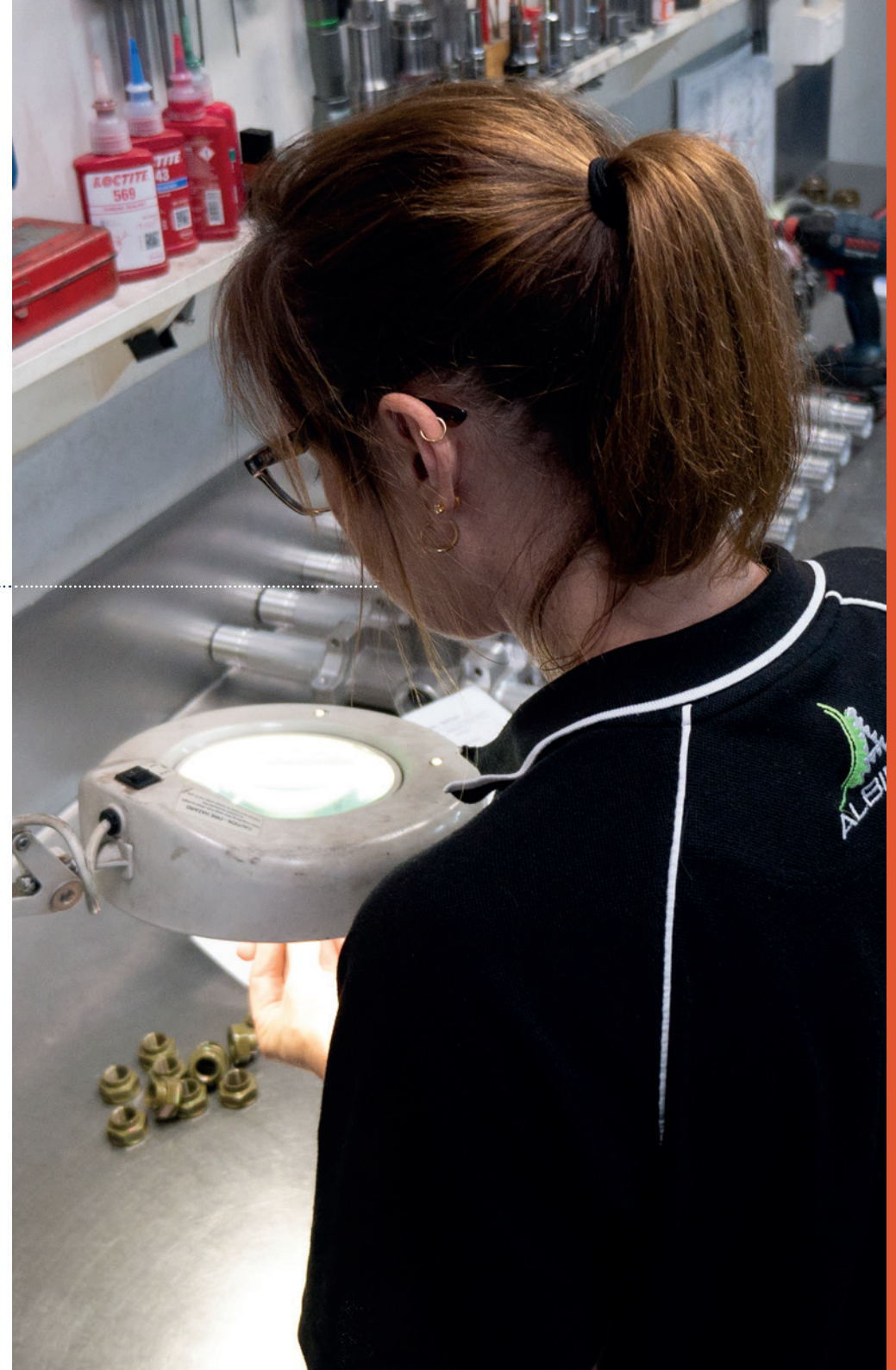
Our commitment to doing the right thing is supported by our whistleblowing program which can be accessed by all our employees.



SUPPLY CHAIN

We have well-embedded processes that enable us to assess, monitor the risk of modern slavery in our supply chain, assess areas of high risk and put plans in place to mitigate those risks. We take a comprehensive risk-based approach to the mitigation of modern slavery practices which acknowledges and addresses the complex link between modern slavery and corruption.

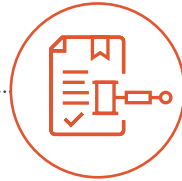
Our purchasing primarily occurs through our centralised procurement team. This enables us to have consistent and robust processes and procedures in place to better understand our risk of modern slavery and take the necessary steps to address it.



Procurement Policy



The Integrity & Corporate Responsibility Charter



Procurement Contracts



Code of Ethics



POLICIES

Procurement Policy

Our Procurement Policy clearly sets out our commitment to upholding the UN Global Compact concerning human rights, labour, the environment, and corruption prevention. It requires the completion of a corporate responsibility assessment of suppliers (which includes an assessment of compliance with social and environmental regulations and anti-corruption measures). It also sets out our expectations of suppliers.

The Integrity & Corporate Responsibility Charter

We expect our suppliers to take steps to maintain compliance with all applicable laws and regulations of the countries where they are registered and where operations are managed, or services are provided. These expectations are documented in our Integrity & Corporate Responsibility Charter.

This Charter is based on the Code of Conduct of the International Forum on Business Ethical Conduct. Our suppliers are required to commit and adhere to our Integrity & Corporate Responsibility Charter, or demonstrate similar commitments under their own. The Charter covers requirements, including

- Human Rights: child labour, human trafficking (including forced and indentured labour)
- Employment Practices: harassment and healthy working environment, non-discrimination, wage and benefits, social dialogue, and rest periods
- Anti-corruption
- Health and Safety

Non-compliance to the Charter by a supplier or partner may result in the implementation of a remediation plan, and in cases of continued or severe non-compliance, the termination of their contractual relationship with us. Our suppliers must ensure that their own suppliers and subcontractors, partners and associates comply with the same requirements set out in the Charter.

Procurement Contracts

During 2020, we continued updating our new and renewing supplier agreements to include contractual clauses regarding integrity and corporate responsibility. These clauses require our suppliers to take steps to ensure compliance with corruption laws and adherence to our Integrity & Corporate Responsibility Charter which addresses modern slavery.

Code of Ethics

In addition to setting guidelines for behaviour towards employees, Thales Group's Code of Ethics addresses the requirement of all suppliers to comply with its principles concerning human rights and labour standards.

DUE DILIGENCE

Vendor Screening

We follow the Thales Group process for vendor screening. This process has been developed through extensive mapping of Thales Group's supply chain and its risks relating to human rights, health and safety, and corruption.

Vendor screening considers the supplier's geographic location and category of supply.

In relation to corporate responsibility and modern slavery, we utilise Group's risk mapping which has identified 25 countries at an increased risk of modern slavery practices, and 17 categories of supply. We use the CPI to identify geographic locations of risk in relation to corruption. There are 60 purchase categories at risk of corruption practices.

The results of these vendor screening processes inform the mitigating steps we will take to address modern slavery and corruption. A supplier may be required to undergo a corporate responsibility assessment and/or integrity assessment described below if they are identified as being in an at-risk category.



**Vendor
Screening**

Corporate Responsibility Assessment

We have partnered with a third party assurance organisation to help us better understand our supply chain and take a risk-based approach when engaging with suppliers. Supplier details are registered with the third party who complete a risk assessment to determine whether a corporate responsibility assessment is required. During onboarding, we register supplier details into a third-party platform. Using these details, they are assessed by the third-party to determine whether a corporate responsibility assessment is required. If the supplier is considered to be at a higher risk of human rights violation, environmental harm or poor health and safety by the third party, suppliers will be required to undergo a further assessment process which includes

- completion of a self-assessment questionnaire in which they provide details of their due diligence processes in relation to human slavery in their operations and supply chains and steps taken to assess and manage that risk.
- a desktop verification undertaken by the third-party's compliance experts to assess the responses to the questionnaire and validate whether they comply.
- if a supplier is not able to be validated, they are requested to complete a corrective action plan which requires them to provide further evidence of improvement in areas of concern.
- we may request the third party complete a workplace condition assessment of a supplier. This involves a thorough review of their work conditions, management systems and corporate governance arrangements.



**Corporate Responsibility
Assessment**

Integrity Assessment

Our due diligence processes are robust and address the complex link between corruption and modern slavery. To support the implementation of our Code of Conduct and our commitment to corporate social responsibility, we may request suppliers to complete an integrity assessment. We use the CPI to identify suppliers in geographic locations of risk. This process requires the provision of additional information about the supplier's governance structures, and ethics and compliance policies. This enables us to build a risk profile and identify any areas which may indicate behaviour below the standard expected of our suppliers.

We are committed to building relationships with suppliers that are based on trust and dedication to corporate responsibility. When reviewing the responses to our integrity questionnaire, we may identify factors that require an in-depth investigation by third party to before engaging with a supplier, or require a remediation or action plan be implemented. Our process also includes a list of factors which if identified, will prevent us from engaging with that supplier.



**Integrity
Assessment**



REMEDIATION

We expect everyone to act consistently with our Code of Ethics and core values. In keeping with those goals, we encourage our employees and others we work with to come forward through our whistleblowing process if they see conduct that they believe is problematic. Through this process we want to

- give people who are aware of possible wrongdoing the confidence to speak up;
- ensure individuals who disclose wrongdoing can do so safely, securely and with confidence that they will be protected and supported;
- identify wrongdoing as early as possible;
- ensure disclosures are dealt with appropriately and on a timely basis;
- provide transparency around our framework for receiving, handling and investigating disclosures; and
- help deter wrongdoing.

This process is supported by our Whistleblower Policy which sets out

- the protections available to whistleblowers;
- how to make a disclosure including who is authorised to receive a disclosure; and
- our processes and procedures which includes a fair and independent investigation of disclosures.

Strengthening our approach to ethics, integrity and corporate responsibility, we also have a Group internal alert system in place which enables the reporting of concerns or incidents relating to conduct, abuses of human rights and fundamental liberties, and harm to health and safety, resulting from our activities or those of our suppliers.



ENGAGEMENT & AWARENESS

To support effective supplier management, we use a Group-wide procurement tool. As a single source of supplier information, it allows us to have greater visibility and control over our procurement practices, and easily manage our due diligence and risk management processes. As it integrates with our supplier portal, our suppliers can view our Integrity & Corporate Responsibility Charter, update information held, and respond to questionnaires.

To develop the skills and awareness within our procurement teams, training is regularly provided to make them aware of the modern slavery and corruption risks and to consider which parts of the supply chain from which they purchase are most susceptible to modern slavery risk. Our procurement team also hosted a number of educational sessions with business teams to further embed our mitigation processes.

Representatives from our procurement team engaged with external parties to share learnings around modern slavery and procurement practices. This included sessions discussing the link between modern slavery and money laundering, and human rights due diligence.

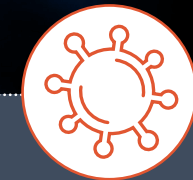
Our employees can easily view our policies and procedures (including those relating to modern slavery and corporate responsibility) in our centralised document management system as part of our employee awareness and information program.

Employee awareness of modern slavery issues and actions are explained on Group's Ethics, Integrity and Corporate Responsibility intranet page. Here all employees can view the latest news, learn more about our policies, guides, tools and internal instructions. Employees can also use the page to access the Group's internal alert system.

CASE STUDY

Our response to COVID-19

Our response to the COVID-19 global pandemic focused on employee safety and well-being and the maintenance of continuity in our supply chain and operations.



WORKFORCE

Faced with the unprecedented health crisis caused by the spread of the COVID-19 coronavirus, we prioritised protecting the health of our employees. While many of our sites continued to operate, we acted quickly to ensure our employees worked in safe conditions. The steps taken were guided by government recommendations, and we also engaged a medical professional to assist in devising appropriate strategies to keep our people safe. Our measures included

- Reduction in the number of people allowed onto sites at any time, with a change in shift patterns to ensure workers received comparable working conditions
- For employees who perform work at our sites, we provided increased hygiene and sanitisation facilities (such as additional washing stations and access to hand sanitiser) to ensure that workers did not incur any additional costs to remain safe whilst on site.
- Employees were encouraged to work from home where possible. We supported this transition by providing employees with the necessary equipment to establish home offices comparable to our office workstations. We also implemented support programs and provided our employees with online resources to adjust to the new way of working, and ongoing access to our employee assistance program was maintained and promoted.

SUPPLY CHAIN

In early 2020, we took steps to relieve the financial pressure our Australian suppliers may have faced as a result of the COVID-19 pandemic. We reduced the time frames for making payments our small and medium suppliers from 45 days to no more than 14 business days, and seven days for small suppliers. By doing this, our small and medium suppliers were better able to secure their financial position during a time of uncertainty.

We did not seek any unreasonable contract variations or discounts from suppliers during COVID-19. Instead, we honoured existing contracts where possible and maintained a very close monitoring of their health and safety position, while fostering open communication with our suppliers about the risks of COVID-19 and how to best protect their employees.

Throughout the disruption, we put in place a Supply Chain Risk Assessment programme that allowed us to monitor the ability of our suppliers to maintain their capability and deliver during the pandemic. Suppliers were individually contacted to assess if they required any specific support.

Where practicable, steps were taken to extend delivery dates in order to accommodate for employee's modified manufacturing hours. Lead times were also extended to give our suppliers more flexibility with working hours and sick leave, if required.

We did not unfairly alter the existing due diligence and remediation processes in place during this time, and we actively monitored the impact of the disruption on our supply chain. Our suppliers continued to have access to our procurement staff to escalate issues or queries in line with our aim of open communication and access to grievance mechanisms such as our whistleblowing process.

Assessing the effectiveness of these actions

When it comes to modern slavery and corruption, we have a strong risk culture embedded within our organisation. We believe this allows and encourages our people to raise concerns with their leader, through our Whistleblower program or Alert system. During the reporting period, we received no disclosures in relation to modern slavery.

Risks associated with the procurement process are managed through procurement dashboard monitoring. These dashboards consider indicators including the number of suppliers that have signed the Integrity & Corporate Responsibility Charter and the evaluation of these suppliers in terms of Corporate Responsibility.

Each year we complete an attestation process which addresses our actions taken under the Duty of Care plan including human rights, health and safety of employees, and environmental protection.

In relation to our workforce, we conduct internal and external audits to ensure the terms and conditions of employment are applied correctly. In addition, all Human Resources personnel are responsible for monitoring any anomalies or concerns in their subject areas and report any identified issues to the compliance team. Where any concerns are identified as a result of the review, the issues are further examined by a team of internal and external advisors who develop and implement the necessary remediation actions.

We are committed to working to mitigate modern slavery risks that may arise within our operations and supply chain, and to building our maturity and understanding around this. We consider our comprehensive due diligence procedures through our procurement process plays a vital role in our efforts to tackle modern slavery, however further work is required to measure its effectiveness.

We acknowledge that whilst Australia is considered to be a low risk geographic location, it is not immune from modern slavery. Further work is required to assess these risks of modern slavery within our local supply chain and whether additional measures are required.



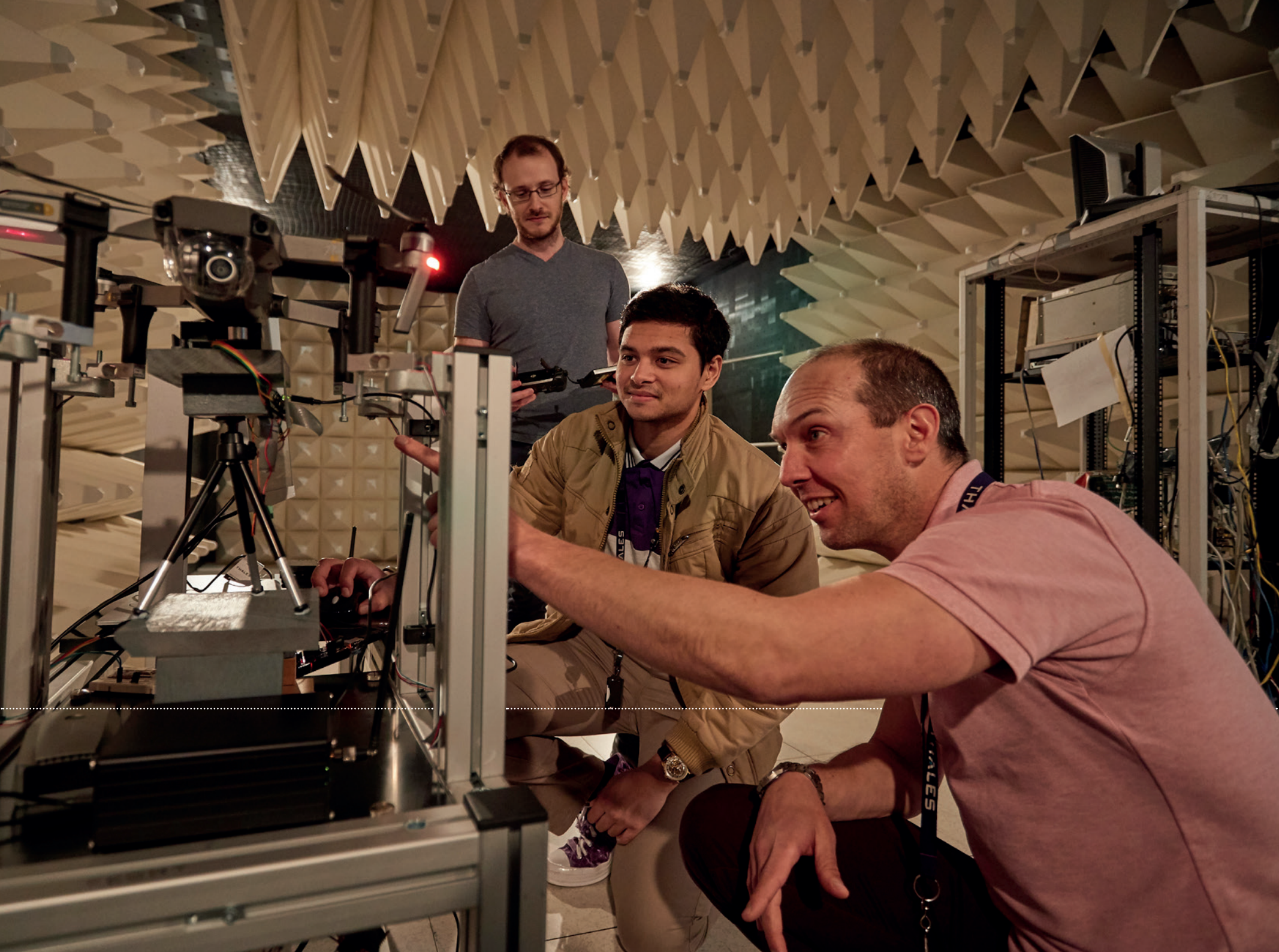
Process of consultation

This Statement for the reporting year ending 31 December 2020 is made pursuant to section 13 of the Modern Slavery Act 2018 (Cth). It has been approved by the Board of Directors of Thales Australia Limited.

The process of consultation involved a working group made up of representatives from various parts of the reporting entity's business who are involved in the prevention of modern slavery across our operations and supply chain.

Prior to review and approval by the Board, the Statement was reviewed by members of Thales Australia's executive leadership team including our Chief Executive Officer, Chief Compliance Officer, Chief Operations Officer, VP Human Resources, VP Strategy, and VP Operational Safety.





Strengthening our modern slavery prevention actions



Policy review

We will continue to review our policies and procedures to ensure that modern slavery risks are highlighted and our appropriately addressed.



Training

We will deliver training on the risks of modern slavery to raise awareness amongst our employees of our policies and practices, and build capability in identifying and assessing modern slavery risks.



Increased monitoring

There is further opportunity to monitor the efficacy of the actions we have put into place to mitigate against the risk of modern slavery. We will develop a monitoring plan which will include key metrics for internal oversight and adherence by suppliers.



Reporting

Increased reporting to the executive leadership teams and Board committees to review actions taken in response to modern slavery. Reporting will introduce a number of metrics to enable a view of adequacy of the actions taken to address any risks and to highlight any oversights, gaps or areas for improvement.



THALES

Building a future we can all trust

7 Murray Rose Avenue,
Sydney Olympic Park, NSW 2127
Australia
Tel: +61 (0)2 8037 6000
E-mail: communications@thalesgroup.com.au

> thalesgroup.com <



180621. Photograph credit: The Workforce behind the Defence Force © Commonwealth of Australia. Thales Australia Limited ABN 66 008 642 751

