



Modern Slavery Statement

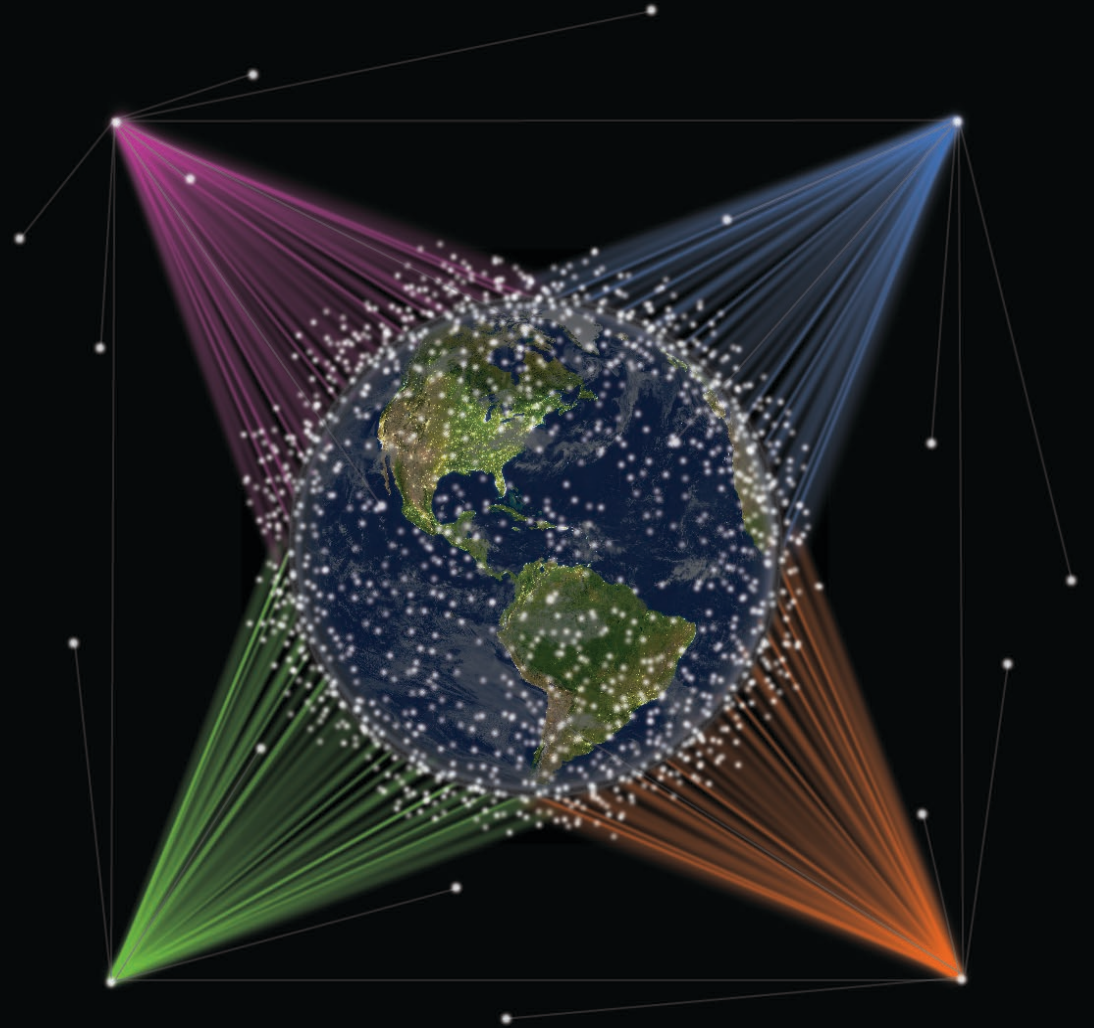
Reporting period ending 31 December 2021



EOS Modern Slavery Statement

Table of Contents

1. Introduction
2. The EOS Group, its operations & supply chains
3. Modern Slavery risks within our operations & supply chains
4. How we assess and address modern slavery risks within our operations and supply chains
5. How effective our actions have been in addressing modern slavery risks
6. How we consulted across the EOS Group
7. Governing body endorsement



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 company incorporated in Australia whose register office is situated at 18 Wormald Street Symonston, ACT 2609 and the group of Electro Optic Systems (EOS) Entities as described in section 2.

This Modern Slavery Statement is for the reporting period of 1 January 2021 to 31 December 2021.

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

2. The EOS Group & its Operations

EOS is an Australian 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.

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.



The graphic is a blue rectangular box containing white text and icons. At the top left is an eye icon next to the heading 'OUR VISION' and the text 'To be Australia's most-valued space and defence company'. At the top right is a target icon next to the heading 'OUR MISSION' and the text 'To develop and produce world-leading technology to enhance the security and prosperity of Australia and its allies'. Below these are three sections: 'WHAT DO WE ASPIRE TO DO BEST?' with text 'Develop and produce systems that can detect, identify, stabilise, control and communicate to improve informed decision-making'; 'WHAT IS OUR PASSION?' with text 'Design and harness RF and electro-optical engineering to solve unique customer challenges'; and 'WHAT DRIVES OUR RESOURCING?' with text 'We depend on trusted and enduring relationships with agencies that seek to enhance national security and prosperity'.

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

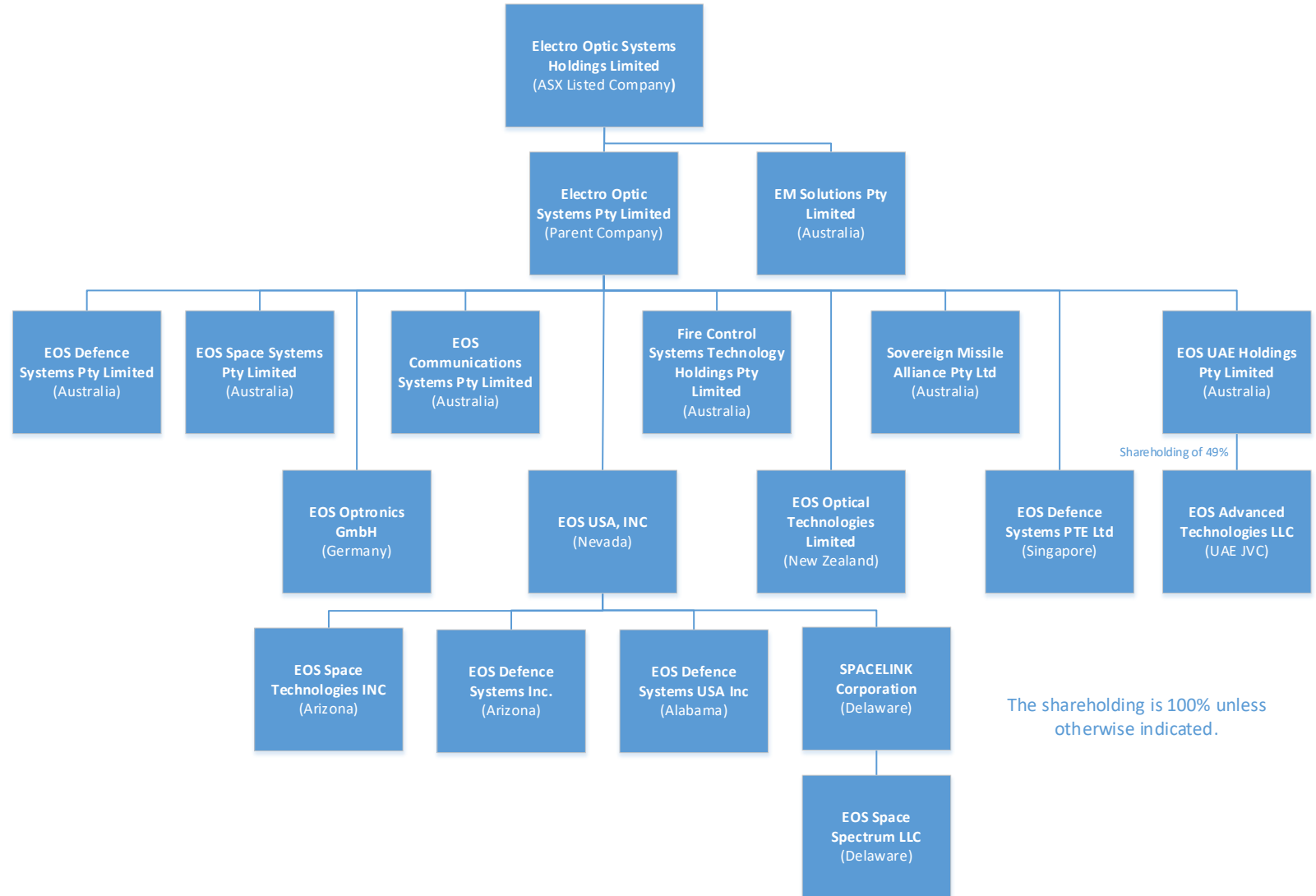
WHAT DRIVES OUR RESOURCING?
We depend on trusted and enduring relationships with agencies that seek to enhance national security and prosperity

2. The EOS Group & Organisational Chart

In total, EOS has offices in five countries with activities spanning eighteen countries.

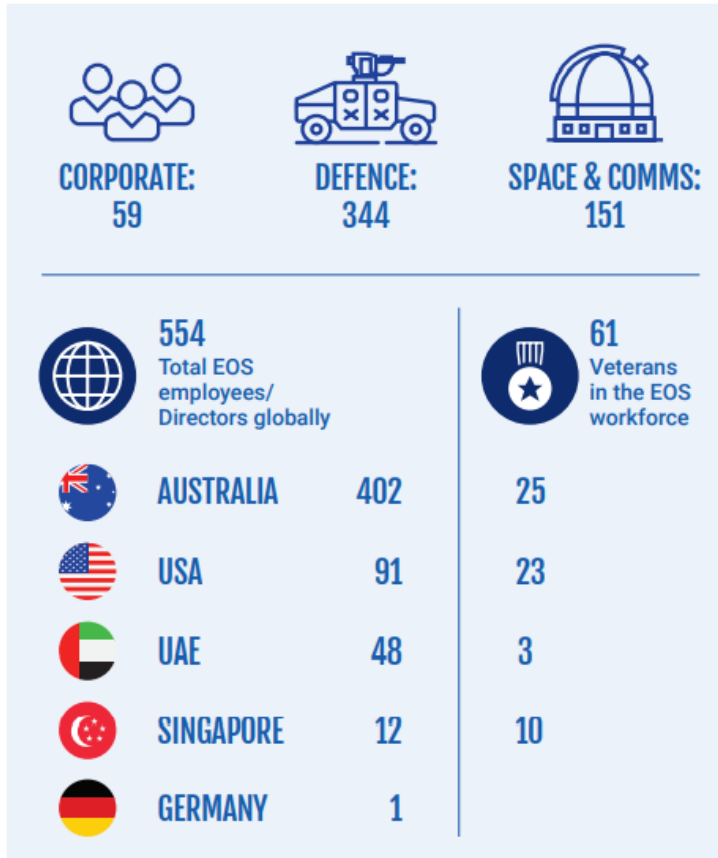
EOS operates two research centres in Australia and has significant production facilities in both Australia and the United States of America. The Company also has a production support depot in Singapore and offices in Alabama, Arizona, Delaware, New Zealand, the United Arab Emirates and Germany.

The image to the right is the EOS organisational chart as at May 2022.



The shareholding is 100% unless otherwise indicated.

2. Our Staff



EOS employees 554 staff across the group in engineering, manufacturing and corporate roles globally.

EOS' high-performing people are at the heart of everything we do and are fundamental to the success of our organisation.

We are proud to employ a workforce that includes a diverse range of experiences and backgrounds, all of which contribute to a collaborative work environment where innovation and practical problem solving are valued. EOS recognizes the benefits that all forms of diversity bring to our Company.



2. EOS' Supply Chains

Supply Chain- Australia

EOS engages with 489 Australian suppliers in a wide range of industries including aerospace, defence, communications, transport and logistics, ICT and telecommunications, manufacturing, professional services, marketing and cleaning services.

In Australia, EOS has 146 suppliers that support our defence capability and 343 suppliers that support our space and communications capabilities.

NUMBER OF SUPPLY CHAIN BUSINESSES:



Supply Chain- International

EOS' international supply chain consists of 328 suppliers across a broad range of industries including aerospace, defence, communications, transport and logistics, ICT, manufacturing, professional services, and cleaning services.

The geographical data of our international supply chain is displayed in the table below.

Region	Number of Suppliers
Africa	0
Asia	69
Central America	0
Europe	88
Middle East	11
North America	157
Oceania	3
Total	328

3. Risks of modern slavery within our operations and supply chains

EOS considers the risk of modern slavery occurring within our operations and supply chains is relatively low. EOS has implemented effective risk controls to assist in mitigating this risk. The below table represents the key risk areas the Company has addressed.

Risk Area	Description
EOS Operations	<p>EOS operates across the Defence, Space and Communications industries. Our workforce is primarily involved in the development and manufacturing of defence, communications and space products, as well as our corporate roles.</p> <p>Modern slavery risk is overall low within our business, with some exposure being in the engagement of third-party providers in industries that have a higher prevalence of modern slavery practices. Operational support such as information technology and office cleaning services contracted by EOS, represent a modest risk to the corporate division of the Company.</p>
EOS Supply Chain	<p>Our supply chains provide risk to EOS when considering modern slavery and is accorded high weight of overall attention.</p> <p>EOS relies heavily on suppliers domiciled both in Australia and overseas. The number of suppliers engaged by EOS is expected to increase as we expand our operations. EOS requires every member of its supply chain to meet the same legal and ethical standards that we demand of ourselves.</p> <p>Whilst we have identified this risk as one requiring notable attention, we consider the overall risk of modern slavery in our supply chain to be low.</p>
Raw Materials	<p>As a manufacturer, EOS relies on parts that are made from raw materials including rare earths sourced from external third party suppliers. We acknowledge that this is an area of concern as servitude, forced labour and child labour are particularly prevalent in the mining of minerals and other raw materials.</p> <p>EOS has not identified any suppliers who unethically source conflict minerals within its supply chain.</p>

4. How we assess risks of modern slavery

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. All EOS entities in the Group must 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;
- carry out remedial steps if and where modern slavery is identified;
- 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.

4. How we address risks of modern slavery

Risk Area	Description
EOS Operations	<p data-bbox="461 311 2428 347">EOS has developed fair labour practices and guidelines to create a respectful and safe work environment for our employees globally.</p> <p data-bbox="461 386 2428 536">We are committed to treating employees with respect and follow the highest ethical labour standards. EOS actively prohibits the use of slavery, forced labour, child labour, and human trafficking in our own business and supply chains. To prevent these activities, we have implemented local labour policies and practices to comply with Australia’s Modern Slavery Act 2018. EOS will report on its practices in its Modern Slavery Statement submitted to the Australian Government annually.</p> <p data-bbox="461 576 2428 726">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 are always 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 ensure that employees meet the standards of EOS.</p> <p data-bbox="461 766 2428 838">EOS will only contract with reputable service providers to provide operational support to the Group. The Company has not identified any modern slavery practices committed by these service providers or by any of our staff.</p>
EOS Supply Chains	<p data-bbox="461 901 2428 1008">EOS expects every member of its supply chains to meet the same legal and ethical standards that we demand of ourselves. If a supplier is implicated in human rights and labour standard abuses, EOS will take immediate steps to rectify the situation. EOS strictly prohibits the use of slavery, forced labour and human trafficking in its business and supply chains.</p> <p data-bbox="461 1048 2428 1119">EOS requires that each of its subsidiaries carry out due diligence on their suppliers. The due diligence conducted must include questions about the supplier and their exposure to modern slavery practices.</p> <p data-bbox="461 1159 2428 1230">EOS will only contract with reputable suppliers. The Company has not identified any modern slavery practices committed by any of our suppliers.</p>

4. How we address risks of modern slavery

Risk Area	Description
Raw Materials	<p>EOS supports the goal of ending the violence and human rights violations associated with the mining of gold and tin, tantalum and tungsten – otherwise known as “Conflict Minerals”. EOS has initiated appropriate due diligence efforts within our supply chain to identify the source of any Conflict Minerals in materials, parts and components we procure to manufacture our products.</p> <p>We are committed to complying with USA Securities and Exchange Commission rules that implement reporting and disclosure requirements related to the sourcing of Conflict Minerals from the Democratic Republic of Congo and surrounding countries.</p> <p>EOS requires that each of its subsidiaries carry out due diligence on their suppliers. The due diligence conducted must include questions about the supplier and their exposure to modern slavery practices, including if and how they source any conflict minerals.</p> <p>The Group does not source any conflict materials directly and has not identified any suppliers who unethically source conflict minerals within its supply chain.</p>

5. How effective our actions have been in addressing modern slavery risks

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 have committed to:

- conducting an annual review of our Modern Slavery Policy to ensure it remains fit for purpose and relevant to our operations and supply chain;
- maintaining a framework within our existing enterprise compliance processes through which modern slavery related risks and concerns (as well as breaches) may be escalated to EOS Group's Audit & Risk Committee;
- capturing and recording any identified breaches of EOS Group's Modern Slavery Policy (as well as identified breaches of any other EOS Group policies and procedures relating to modern slavery) in EOS Group's incident register;
- conducting supplier due diligence through our supplier questionnaires which include modern slavery checks and require commitments from suppliers regarding modern slavery concerns providing assurance that modern slavery is not part of our production; and
- ensuring our contracts contain provisions on the prohibition of modern slavery; and
- immediately terminating any relationship with suppliers who are found to be engaging in any modern slavery practices.



6. How we consulted across the EOS Group

In providing this statement, EOS has consulted with members of the Corporate, Legal, Human Resources, Defence and Space divisions of the Group within Australia.

Each of EOS' overseas subsidiaries were involved in discussions around their current practices and risk of exposure to modern slavery in their operations.

7. Governing Body Endorsement

This Modern Slavery Statement has been approved by the Board of Electro Optic Systems Holdings Limited (ABN 95 092 708 364) on 28 JUNE 2022



David Black
Chairman of the Audit and Risk Committee
Electro Optic Systems Holdings Limited



WE SEE FURTHER