



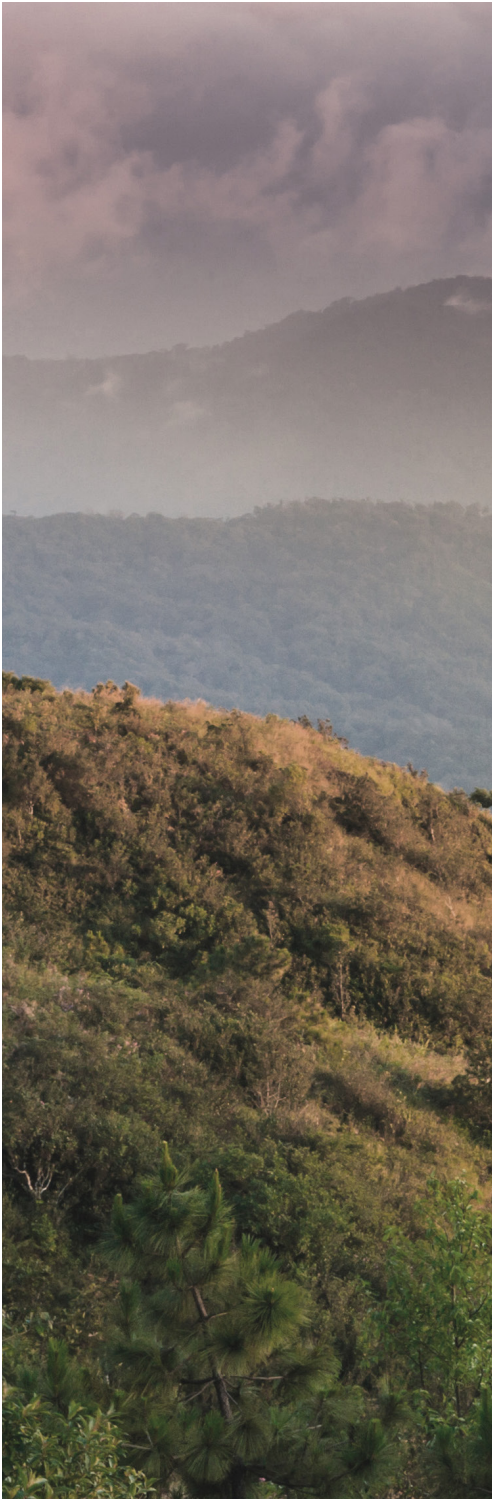
SAAB

Saab Technologies Australia Pty Ltd

Modern Slavery Statement

Financial Year 2020





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 and future actions
- 4.2 Remediation Planning
- 4.3 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) 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 2020 to 30 December 2020 (Reporting Period).



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

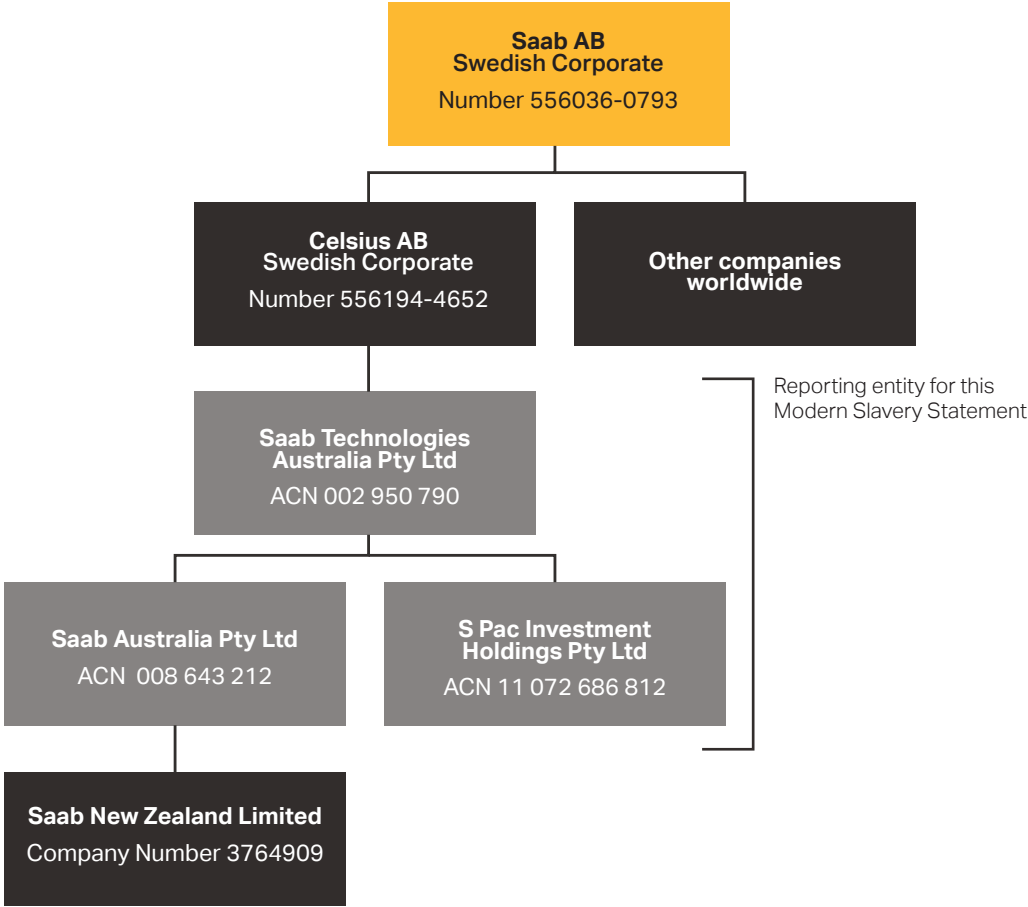
Saab Technologies Australia Pty Ltd (ACN 002 950 790) (Saab Technologies) is the reporting entity for this Modern Slavery Statement. The Australian consolidated entities covered by this Statement are:

- 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

VISION	It's a human right to feel safe.
MISSION	To make people safe by pushing mental and technological boundaries.
VALUES	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 570 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 17,500 people worldwide, generating annual revenues exceeding AUD 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, New Zealand, Asia and Canada.

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 \$100M with around 600 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:

- ~65% is spent with suppliers based in Australia
- ~25% is spent with Saab entities based in Sweden
- ~10% is spent with suppliers from a small range of other countries - USA, Denmark, Germany and Singapore

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
- 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.

To date, 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

(a) *Identify the various tiers of Suppliers*

In reviewing data for the Reporting Period, Saab identified that it engaged with 630 suppliers with whom it spent ~\$100M.

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 assessment, categorisation and risk assessment of Tier 2 suppliers in future years.

Tier 1 suppliers represent \$79M 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	<p>Supplies include procurement of hardware, software, technical data and training materials</p> <p>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.</p> <p>The Saab Group undertakes comprehensive supplier on-boarding and continuous assessment processes to manage its supply chain.</p>	Low
Electronic components/ assemblies	<p>Saab's supplier is often a third party distribution company. Saab does not generally procure these supplies direct from the manufacturer.</p> <p>Saab has assessed these supplies as medium risk due to the possible origin of the component level parts.</p>	Medium
Recruitment/ labour hire	<p>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.</p>	Low
Corporate business services	<p>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.</p>	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:

- 1 high risk supplier;
- 14 medium risk suppliers; and
- 36 low risk suppliers.

The 'high risk' ranking has been applied to one supplier based in Singapore. This Supplier is being managed in accordance with the strategies outlined in the table below. Saab's ranking is on the basis that the supplier is more likely than other Saab suppliers to source raw materials and component level parts from higher risk locations in the world. Singapore's Government response to modern slavery issues has also received a lower Global Slavery Index rating than countries of other Tier 1 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) *Determine a strategy for each risk class of supplier*

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

Risk Class of Supplier	Strategies to mitigate risk
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

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

All 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 2021 reporting period.

(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.

(g) *Identify which tools are 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.

Through 2021, as part of Saab's supplier on-boarding tool and supplier relationship management tool assessment, Saab will consider options to automate and better report against the modern slavery activity and requirements.

4. Reporting Criteria Four

Actions taken to assess and address risks

4.1 Reporting Period achievements and future actions

Saab has established a modern slavery working group with representatives from Saab's Procurement, Contract Management and Legal functions. Other specialist company representatives were also consulted as needed – such as Quality, Finance and Human Resources.

During the Reporting Period, this working group was responsible for the development of a detailed action plan to address Saab's modern slavery operational and supply chain risks, along with the drafting of this Statement.

Saab's achievements for the Reporting Period and the road map for the next two years is detailed below:

Reporting period (2020)	Year 2 (2021)	Year 3 (2022)
Actions and achievements for Year 1	Plan for Year 2 - implementation	Plan for Year 3 - Review and Update
Modern slavery working group established	Development of detailed supplier questionnaire	Benchmark our performance and engage with industry groups
Framework and risk identification: <ul style="list-style-type: none"> Development of internal processes Risk assessments – Saab operations and supply chain 	Complete screening of Tier 1 supply chain	Identify ongoing supplier agreements that require amendment to reflect modern slavery identification processes
Whistleblower policy and hotline established	Communication strategy for the Saab global MS Policy Statement and Supplier Code of Conduct	Revise and update internal training
Identification of internal tools and system needed	Commence the audit of Tier 1 medium/high risk responses to the supplier questionnaire	Review questionnaire for completeness
Commercial documents and artefacts identified for update to reflect the requirements of the Modern Slavery Act	Documents and commercial templates updated to reflect the requirements of the Modern Slavery Act	Revisit our due diligence processes
Supply chain mapping completed: <ul style="list-style-type: none"> Identify tiers of suppliers Risk classification Determine strategy for each tier 	Targeted training developed and delivered	Continue with the audit of Tier 1 medium/high risk responses to the supplier questionnaire
Consult with related entities on the development of the modern slavery statement	Identify any remediation actions needed in our supply chain or internal processes	

4.2 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.

4.3 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.

This will be demonstrated by the following:

- Establishment of a process to regularly review actions taken (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;
- Development of processes to 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
- Update contracts and purchase order terms to include modern slavery notification obligations.

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 behalf of all Australian Saab entities (being those set out in Section 2 of this Statement).

The controlled entities listed in Section 2 of this Statement all operate under the direction and governance of Saab Australia and share the same senior management group.

Saab has prepared this Statement with input from the operational business units and the group commercial, procurement and legal functions that service each of the Saab entities listed in Section 2 of this Statement.

The Directors and Company Secretary for each entity as well as the senior management group for each of the controlled entities has also been informed of this 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 the Australian 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 all practices of modern slavery are eliminated from our operations and our supply chains.

As such, the Board of Saab Technologies Australia Pty Ltd is pleased to endorse this Statement for itself and on behalf of its wholly owned Australian subsidiaries (as set out in Section 2 to this Statement).

This Statement of commitment details both the initial assessment phase of Saab's specific operational and supply chain risks and details our framework for the next two years.

Board Approval

This Statement was approved by the Saab Technologies Australia Pty Ltd Board on 8 April 2021.



Dean Rosenfield
Chair



Andy Keough
Managing Director