

**L3Harris Integrated Mission Systems Australia Pty Ltd
and L3Harris Micro Pty Limited
Joint Modern Slavery Statement 2021**

POLICIES

L3Harris Policy Statement

“L3Harris does not engage in human trafficking and will not willingly or knowingly assist in any human trafficking committed by any other party, nor will knowingly work with suppliers or business partners that engage in such activities.”

L3Harris maintains internal policies and compliance plans designed to foster compliance with applicable human trafficking-related laws. Its commitment to compliance with these laws is also reflected in its Code of Conduct and Supplier Code of Conduct:

- **L3Harris Technologies Inc.** [Code of Conduct](#)
- **L3Harris Technologies Inc.** [Supplier Code of Conduct](#)

This Modern Slavery Statement 2021 is submitted under the *Modern Slavery Act 2018 (Cth)*. It is a joint statement by L3Harris Integrated Mission Systems Pty Ltd (ABN: 28 009 019 603) and L3Harris Micro Pty Limited (ABN: 11 098 350 479) for the financial year ending 31 December 2021. Both entities are wholly owned subsidiaries of head Australian entity, L3Harris Technologies Australia Group Pty Ltd (ABN: 61 654 390 146).

L3Harris Technologies, Inc (USA) wholly owns the L3Harris companies in Australia. Headquartered in Melbourne, Florida, USA, L3Harris Technologies, Inc is a global aerospace and defence company that employs approximately 50,000 employees worldwide. The majority of L3Harris Technologies, Inc business is with US federal government agencies. L3Harris Technologies, Inc was formed in 2019 through the merger of L3 Technologies and Harris Technologies.

All L3Harris Technologies, Inc owned entities, adhere to a global corporate policy statement on human trafficking within its Supplier Code of Conduct and furthermore follow an internal corporate procedure “LGL_03-Preventing Human Trafficking”.

L3Harris Integrated Mission Systems Australia Pty Ltd (‘IMSA’) and L3Harris Micro Pty Limited (‘Micro’) actively implement L3Harris Technologies corporate policies and procedures in preventing human trafficking and conduct all business dealings in accordance with the L3Harris corporate values of Integrity, Respect and Excellence.

LEGISLATION

Modern Slavery Act 2018 (Cth)

1. REPORTING PERIOD

This Modern Slavery Statement is prepared for L3Harris Technologies Australia Pty Ltd and its operating entities, L3Harris Integrated Mission Systems Australia Pty Ltd, ABN: 28 009 019 603, ('IMSA') and L3Harris Micreo Pty Limited, ABN: 11 098 350 479, ('Micreo') for the financial year 1 January 2021 to 31 December 2021.

Note:

- IMSA and Micreo's immediate Australian shareholder changed from L3 Australia Group Pty Ltd to L3Harris Technologies Australia Pty Ltd on 22 November 2021.
- On 22 November 2021, L3Harris Communications Australia Pty Ltd (ABN: 88 054 982 151) also became part of the L3Harris Technologies Australia group, L3Harris Communications Australia has submitted its Modern Slavery Statement separately for this period.
- During the reporting period Missions Systems Australia Pty Ltd was renamed L3Harris Integrated Mission Systems Australia Pty Ltd.
- As of January 2022, L3 Micreo Pty Limited was renamed L3Harris Micreo Pty Limited.

2. ABOUT IMSA AND MICREO

Both IMSA and Micreo are wholly owned subsidiaries of the head Australian entity L3Harris Technologies Australia Group Pty Ltd, ABN: 61 654 390 146, ('L3Harris Australia') and are part of the global company L3Harris Technologies, Inc (USA).

L3Harris Australia employs approximately 500 employees across Australia, based in Fremantle, Adelaide, Melbourne, Sydney, Brisbane and Cairns, of which approximately 150 staff are employed by IMSA and approximately 110 staff are employed by Micreo.

L3Harris Australia provides military and commercial products, capability and associated support services, including but not limited to, project management, engineering, design, integration, manufacture and research and development. The Australian group builds, delivers, maintains and supports complex systems and equipment for Australia and for export. Major customers include federal agencies such as the Australian Department of Defence and commercial companies operating in Australia that provide goods and services to the Department of Defence.

The L3Harris Australia companies have achieved AS/NZS 4801:2001 and ISO 9001:2015 certification.

3. OPERATIONAL RISK

Due to the nature of the work conducted, extensive due diligence processes for employees and direct contractors and the rigorous security requirements of its customers, IMSA and Micreo consider there is negligible risk pertaining to Modern Slavery within its own operations.

IMSA and Micreo primarily employ Australian citizens, many of whom are Australian Defence Force veterans.

All staff are required to be familiar with L3Harris Technologies corporate policies and procedures on human trafficking. In addition, all staff must attend regular training and workshop sessions on ethics more broadly, covering Modern Slavery, Code of Conduct, company ethics and values and whistle blower processes and protections amongst other matters.

4. SUPPLY CHAIN RISK

IMSA and Micreo's approach to assessing modern slavery risk within its supply chain has, to date, been comprised of desk-based research and analysis of the outcomes of a tier 1 supplier spend analysis. On this basis, the overall risk level with tier 1 suppliers has been assessed as low, primarily given spend is almost

wholly with Australian suppliers or overseas related L3Harris entities, and IMSA and Micreo spend on high risk commodities is negligible. Certain commodities and service sectors have, however, been identified as having a higher risk profile and these provide a focus for additional future efforts in mitigating risk.

It is also recognised that modern slavery risk exists throughout all tiers of the supply chain and additional analysis would be required to further refine this supply chain risk assessment to better consider risk in subsequent levels of the supply chain. It is anticipated that this more in depth analysis will be undertaken for future statements.

IMSA and Micreo commit to continuous improvement and to periodically review the effectiveness of policies, procedures and actions to address slavery risks within its supply chain.

4.1 Risk Assessment and Mitigations

The desk-top risk assessment was conducted based on the tier 1 supplier spend analysis to better understand geographic risk, entity risk and sector and commodity risk.

4.1.1 Entity Risk

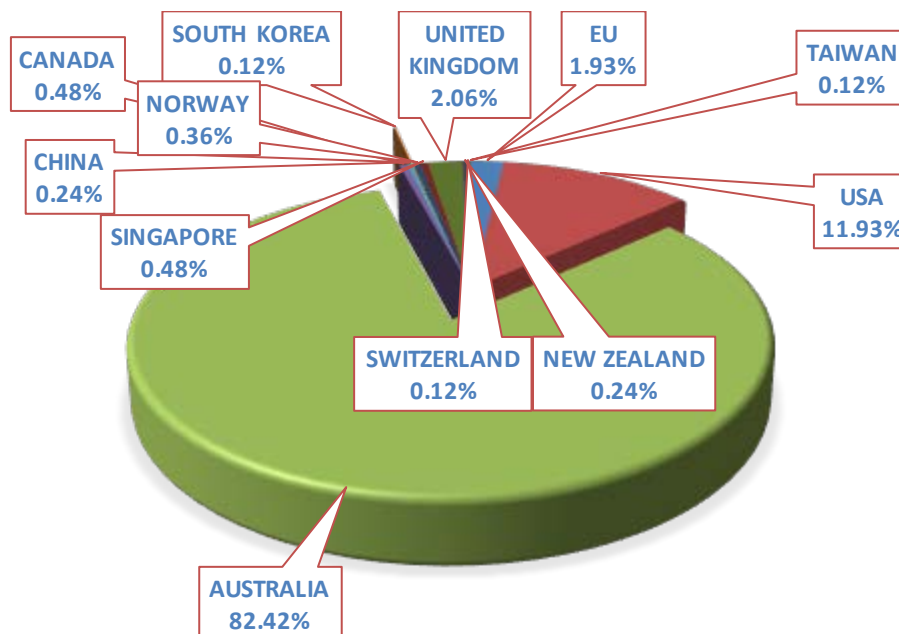
IMSA and Micreo undertake a variety of actions to address risk at the individual supplier level, including:

- Use of recognised qualified suppliers which are committed to upholding our Code of Conduct in all our dealings together (a supplier evaluation requirement)
- Screening all suppliers through Descartes Visual Compliance Restricted Screening
- Utilising our standard Purchase Order terms where possible, which incorporate modern slavery provisions
- Upholding and, where relevant, inserting modern slavery clauses into our contractual agreements with both customers and suppliers.

4.1.2 Geographic Risk

From the joint analysis of spend with tier 1 supplier's in the 12 months prior to the reporting period, IMSA and Micreo identified that the significant majority of spend is with Australian vendors, as indicated in Figure 1.

Figure 1: Tier 1 Suppliers to IMSA and Micreo – Spend Distribution by Country (FY2021)



Of the 825 tier 1 suppliers identified, 680 Australian based suppliers were engaged and comprised 82.4% of expenditure, while 145 overseas vendors were engaged for the remaining 17.6% of spend. Spend with US suppliers was the next most significant portion of expenditure and is comprised predominantly of US manufactured military products from related L3Harris entities.

According to the Global Slavery Index 2018 Australia, USA, United Kingdom, and almost all of the European suppliers that IMSA and Micreo do business with, are rated BBB. In fact, approximately 98% of all IMSA/Micreo spend is with such BBB rated, low risk countries which are taking action to identify and abolish slavery and have low prevalence of slavery within their borders.

4.1.3 Commodity Risk

A review of the highest risk and most contentious commodities from a modern slavery perspective indicates that the highest risk direct commodity purchases for IMSA and Micreo are:

- Laptops/computers and electronic componentry
- Work clothing (i.e. PPE and corporate branded attire)

While IMSA and Micreo spend on these commodities is low, it is recognised that the modern slavery risks associated with the materials and manufacturing processes for these commodities exists lower in the supply chain. In addition to the actions described at 4.1.1, to mitigate risk in relation to these purchases IMSA and Micreo:

- Purchase from companies based and headquartered in low risk countries
- Purchase from companies with modern slavery/human trafficking policies and procedures, to the full extent possible (and for laptops/computers and electronics preferably with membership to the Responsible Business Alliance)
- Comply with, as a subsidiary of L3Harris Technologies, Inc., conflict minerals compliance requirements set out in Section 1502 of the Dodd Frank Act and perform regular surveys of suppliers to obtain assurances regarding the risk of conflict minerals being included throughout the supply chain.

L3Harris Australia aims to conduct its spend analysis again and will look specifically at expenditure levels on high risk commodities to identify further opportunities for improvement.

4.1.4 Services Sector risk

IMSA and Micreo also considered sector risk in relation to services received in Australia. Labour intensive services that are performed primarily by low-skilled and/or low paid workers or short term or migrant workers are considered to represent highest risk.

For IMSA and Micreo the main spend in such a sector is in relation to cleaning and facilities management more broadly. IMSA and Micreo currently use contractual arrangements and supplier evaluation processes to mitigate risk in this sector, however, a future opportunity has been identified for L3Harris Australia to assess its facilities management requirements at a group level and consider a category and contracts strategy that further addresses this risk.

For L3Harris Integrated Mission Systems Australia Pty Ltd this 2021 Modern Slavery Statement is approved by its principal governing body, being the Board of Directors, by Directors Resolution dated 20 October 2022.

For L3Harris Micreo Pty Limited this 2021 Modern Slavery Statement is approved by its principal governing body, being the Board of Directors, by Directors Resolution dated 20 October 2022.

SIGNED by the Boards' of L3Harris Integrated Missions Systems Australia Pty Ltd and L3Harris Micreo Pty Limited nominated responsible delegate:



Dean Powell
Commercial Director – Australia