



Thales UK
**Modern Slavery
Statement
2025**

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Introduction and scope

Modern slavery is defined in the UK Modern Slavery Act (2015) and includes a range of offences such as slavery, servitude, forced or compulsory labour, and human trafficking. For detailed definitions please refer to the 'Transparency in supply chains: a practical guide' published on the UK governmental website.

Our purpose is to 'Build a Future We Can All Trust' which includes ethical considerations and trust in each other.

This Modern Slavery Statement (statement) is published in accordance with the UK Modern Slavery Act (2015) and sets out the steps taken by Thales UK during the financial year to 31st December 2024 to ensure there is no modern slavery in our business and our supply chain.

Thales UK refers to all legal entities, registered in the United Kingdom, that are wholly owned by the Thales Group, or other UK-registered entities where Thales Group is a major shareholder. Thales Group refers to Thales SA, registered in France, and all legal entities which are direct or indirect subsidiaries. Where we refer to 'us', 'our' and 'we' in this statement, we are referring to Thales UK. We refer to Thales SA as 'Thales Group' or 'Group'.

The following wholly owned businesses, operating as a single, integrated organisation within the UK and working to the same policies and management systems, are included in this statement:

1. Ground Transportation Systems UK Limited (formerly known as Thales Ground Transportation Systems Limited) until the 31st May 2024 when it ceased to be a wholly owned subsidiary
2. Thales DIS UK Limited
3. Thales DIS CPL UK Limited

Thales Alenia Space UK Ltd is included in this statement as a majority-owned, UK-registered joint venture subsidiary of Thales Group.

Separate statements are published by our joint ventures partners, where Thales UK has a shareholding of 50% or less. These companies include AirTanker and Aquila Air Traffic Management Services.



Our structure, operations and supply chains



Headquartered in Paris and generating revenues of €20.6 billion for the year ending 31st December 2024. Thales is a global technology leader with more than 83,000 employees on five continents operating in a variety of sectors including defence and security, aerospace and space, digital identity and security, and transport.

Thales' customers are large organisations, such as government agencies, administrations, institutions, cities, and businesses who all provide or operate systems, services and infrastructure that are vital to society in the areas of defence, security, air and rail transport, banking, and telecommunications.

Thales UK covers all the Group's key business sectors, and comprises 16 sites operating across the United Kingdom, with over 7,000 employees made up of highly skilled engineers, specialist functions and a range of support staff.

THALES VALUES

As a strategic supplier to the UK, we deliver over £1bn in complex projects each year, both direct to the Ministry of Defence and the Home Office, as well as via other key subcontractors to the UK Government and major multinationals in the civil and defence markets. This ranges from delivering the digital identity and security that underpins our connected world, to designing the Queen Elizabeth class aircraft carriers and supplying Lightweight Multi-role Missiles (LMMs) to strengthen the British armed forces and Ukraine's air defence capabilities.



Thales UK procures materials, goods, and services from a wide variety of suppliers in the UK and overseas via a supply chain which, like many other organisations, is complex, and multi-tiered.

In 2024 Thales UK placed orders in the region of c. £600 million, with c.1,400 tier-1 external suppliers, of which 82% are based in the UK.

Outside of the UK, we have a small number of suppliers who supply us directly with the following categories of goods and services:

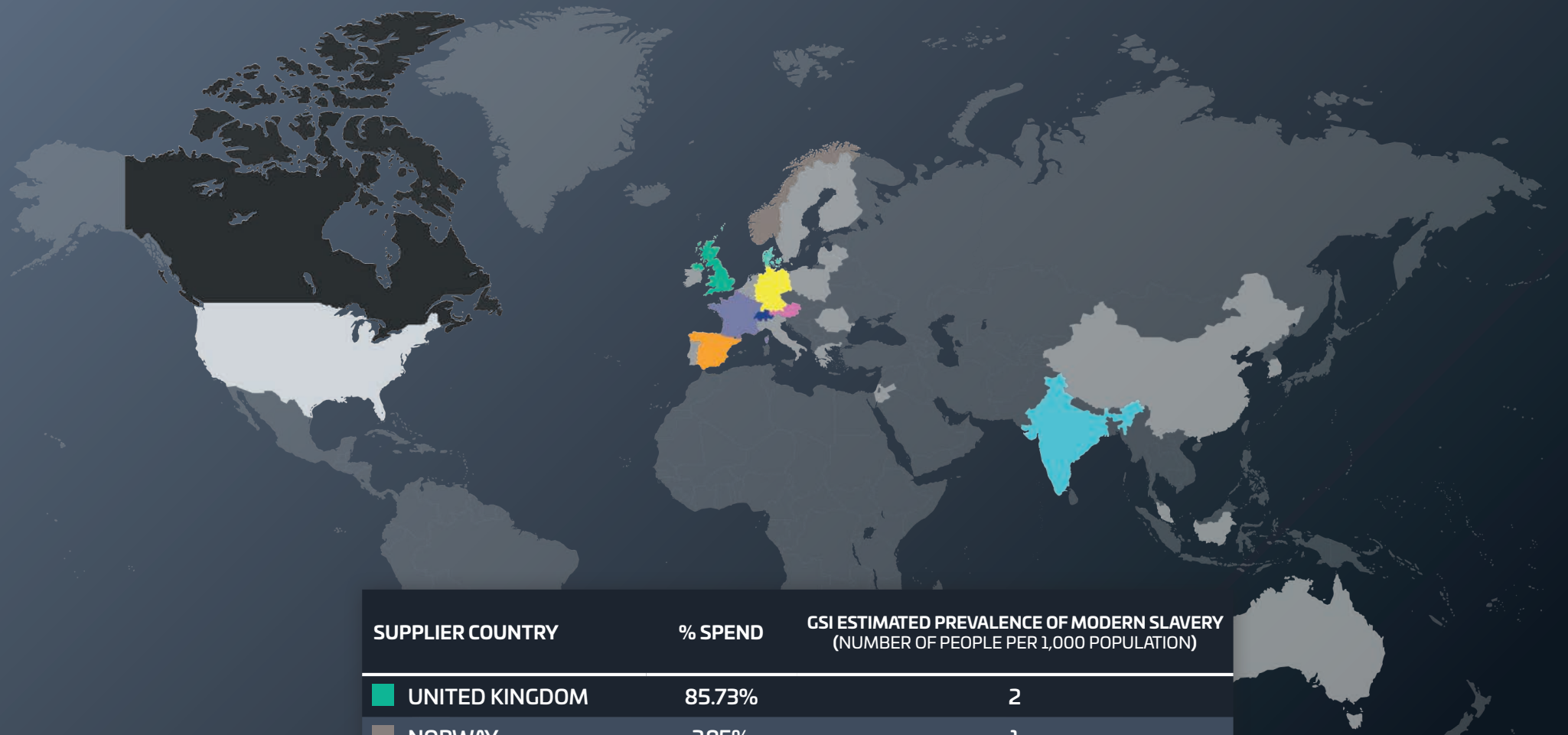
- IS/IT & Support Services
- Systems and Equipment
- Mechanical
- Electronics
- Systems and Software Engineering and Customer Support Services
- General Expenses












Our spend covers a wide range of goods, materials and services as illustrated.

PERCENTAGE OF SPEND BY SEGMENT



- IS/IT & Support Services
9%
- Systems & Equipment
29%
- Mechanical
13%
- Electronics
9%
- System & Engineering & Customer Support Services
16%
- General Expenses
15%
- Other
9%



SUPPLIER COUNTRY	% SPEND	GSI ESTIMATED PREVALENCE OF MODERN SLAVERY (NUMBER OF PEOPLE PER 1,000 POPULATION)
 UNITED KINGDOM	85.73%	2
 NORWAY	3.95%	1
 FRANCE	2.82%	2
 UNITED STATES	1.99%	3
 SWITZERLAND	1.71%	0
 CANADA	0.74%	2
 SPAIN	0.72%	2
 GERMANY	0.51%	1
 INDIA	0.29%	7
 NETHERLANDS	0.26%	1
 AUSTRIA	0.26%	2

Our modern slavery strategy

As reported in our previous statement, we initiated a wide-ranging review of our approach to tackling modern slavery with Stronger Together, a UK-based impact driven, not-for-profit organisation. Stronger Together supports businesses in the UK and internationally to 'create a world where all workers are recruited responsibly and have fair work free from exploitation'.

The review resulted in several recommendations, which then formed the basis of an improvement plan. We implemented these over the period from 2022 to 2024, and they have now become part of the standard UK Modern Slavery due diligence process.

They include the following:

1. Enhanced Supplier Self-Assessment Questionnaires to existing Tier 1 suppliers involved in the delivery of a key contract.
2. Bespoke modern slavery training, funded by Thales UK.
3. Agreement on improvement actions with Tier 1 suppliers to be completed.
4. Engagement with the Tier 1 suppliers to identify which of their suppliers are within the scope of the Thales UK contract.
5. Suppliers requested to conduct desk-top risk assessments of their Tier 1 suppliers based on the provided training.
6. Via our Tier 1 suppliers, we requested that our Tier 2 suppliers complete the Supplier Self-Assessment Questionnaires, with a view to agree improvements and monitor due diligence, led by our Tier 1 suppliers.

Progress to date

As outlined in our previous statement, below is a summary of the progress on the different actions comprising our Modern Slavery Improvement Plan in 2024.

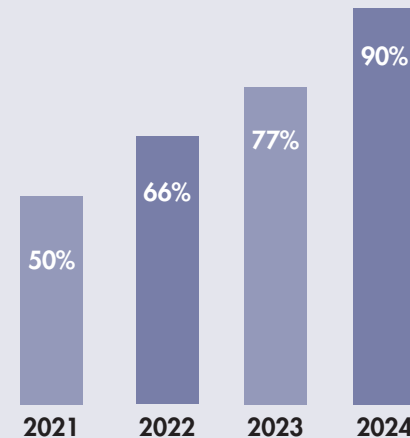
Identified Action	Update
Modern Slavery Working Group (MSWG) in place.	The Modern Slavery Working Group (MSWG) reviews our modern slavery due diligence progress on a monthly basis.
Inclusion of external expert consultant to facilitate Modern Slavery Working Group in 2024.	The MSWG has been supported by an external expert consultant.
KPIs and reporting.	A set of KPIs were agreed and subsequently monitored. These are included in this statement; see below.
Specific training on purchasing practices for key procurement roles.	Delivered in 2024.
Review and update of UK Modern Slavery Policy.	Published in 2024.
Re-develop UK Supplier Standards for Modern Slavery.	Published in 2024.
Risk management process developed and implemented for Thales UK supply chain.	Risk management process to identify the potential high-risk suppliers was implemented and is now led by the UK Procurement team as of October 2023. This has been imbedded as an annual process.
Delivery of Modern Slavery training for highest-risk suppliers.	Training sessions for the highest risk suppliers from the UK, India and Turkey delivered in July and August 2024. Produced a guide to supporting resources for suppliers.
Reviewed and further developed the supplier self-assessment questionnaire.	Issued revised self-assessment questionnaire to 100% of relevant active, highest-risk suppliers in February 2024.
Developed Improvement Action Plans as required – based on the results.	Relevant Improvement Action Plans in place as required with suppliers, and analysis undertaken including identifying key trends and opportunities for further supplier development. Produced guidance and training for the procurement team on developing Improvement Action Plans.
Modern Slavery Training refresh.	Validated the suitability of EcoVadis training and introduced it for Procurement, alongside a review of existing internal training material with a view to implementation in 2025.
Resource Signposting.	Commenced the development of signposting tools, further work in this area to be done in 2025.
Modern Slavery RACI chart.	Captured the end-to-end modern slavery process and associated RACI roles.
Modern Slavery Communications Campaign.	Commenced our Modern Slavery Communications campaign by publishing information on our intranet page to raise awareness. Further work to be done in 2025.
Social Audits.	Selected an external partner to support the social audit plan for 2025.

Modern Slavery KPIs:

We are pleased to report our progress against the Key Performance Indicators (KPIs) for 2024 as follows:

1. Assessment against the UK Government Modern Slavery Assessment Tool:
 - In 2024, Thales' score was 90%, an increase of 13% from the previous year.
2. Modern Slavery training:
 - Mandatory training rolled out to all employees with an 81% completion rate.
 - Defined and agreed ongoing training frequency for all functions based on their potential exposure to modern slavery risks.

Thales MSAT Score



In addition, the following KPIs have been rolled out in 2024 and will be reported in future Modern Slavery statements:

Modern Slavery KPIs	Progress
Modern Slavery Improvement Plan.	We have completed our two year Improvement Programme.
High-Risk Supplier Self-Assessment Questionnaires (SAQs) Issued.	Percentage of identified high-risk suppliers issued with SAQ: 100%.
High-Risk Supplier SAQ Responses.	Percentage of identified high-risk suppliers with SAQ responses received: 75%.
SAQ Responses Assessed.	Percentage of assessed SAQ responses with outcomes/next steps agreed: 83%.
Supplier Improvement Action Plans.	Percentage of assessed suppliers with Improvement Action Plans in place: 20%.



Governance

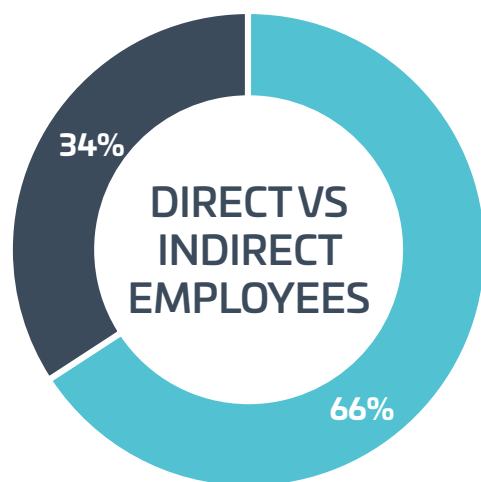
Governance is a critical part of the Modern Slavery due diligence process. Therefore, as part of the continued Modern Slavery Working Group (MSWG) activities, we have conducted a review of our Modern Slavery Governance.

As part of our governance process, Thales UK's Country Procurement Director leads on specific efforts to tackle modern slavery within our supply chain, and reports to the UK Chief Operating Officer (COO) who leads on broader efforts across the business. In turn, the COO reports to the Thales UK Chief Executive Officer (CEO).

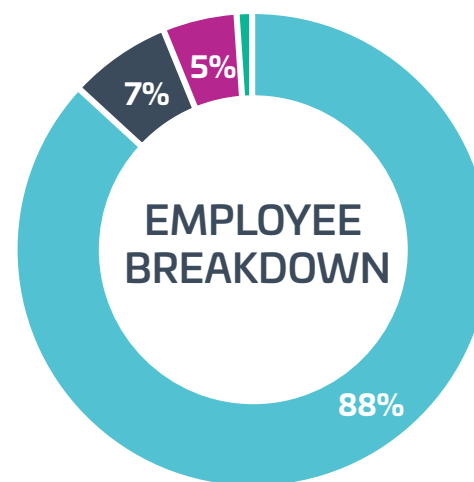
We have formalised and strengthened our reporting arrangements so that the MSWG now reports to the Thales UK ESG Steering Committee. The Committee meets quarterly and is chaired by the Vice President of Strategy and Marketing UK. Attendees include members of the UK Statutory Board, such as the UK CEO and COO, along with key functional leads. Modern Slavery and the work of the MSWG are standing agenda items for the ESG Steering Committee, to enable updates on progress, review of funding requirements, considerations of emerging issues, and review of any potential or actual incidents in our operations or supply chain.



Risk assessment in our operations



■ Direct ■ Indirect



■ Permanent Staff ■ Contingents
■ Sub-contractors ■ Fixed Term Workers

This includes Fixed term, Apprentice/Intern/Trainee, Expats & Grads.

We believe that the risk of modern slavery in our Thales UK direct workforce is low. Most of our core business activities are technology intensive and this requires highly skilled, professional, and qualified employees who are less likely to be vulnerable to the threat of exploitation.

When we require temporary staff in our own operations, we use a single resourcing agency that is required to comply with our supplier standards and processes, including those relating to Modern Slavery.

The one area of potential risk in our operations is associated with facilities management services including cleaning and catering. We believe that the risk from these services is low given the security clearance process that is required for any personnel gaining access to our sites. These services are outsourced to suppliers and are therefore considered within our supply chain risk assessment as detailed in the following section.

Risk assessment in our supply chain

We are aware that there are areas of potential risk of modern slavery in our supply chain, for example, in countries where the prevalence of forced labour is considered to be inherently high and, regardless of location, for certain types of materials, goods and services which may involve workers who are vulnerable to exploitation.

For existing suppliers, we understand that our opportunity to influence change can be correlated to our spend with a supplier. Therefore, our risk assessment process involved capturing the top 80% of our planned spend, typically equating to our top 20% of suppliers, currently 50 suppliers.

We have assessed those suppliers against a number of risk factors such as the provision of materials goods or services which are:

1. Associated with lower skills and labour-intensive work.
2. Likely to include potentially vulnerable workers such as migrant workers.
3. Associated with vulnerable employment types e.g. self-employed, sub-contracted, agency labour.

Having undertaken our risk assessment, we believe that there are potential risks with the following types of purchases:

1. Systems and Equipment
2. System and Engineering & Customer Support Services
3. General Expenses

We issued self-assessment questionnaires to the relevant suppliers identified as highest risk in order to gain more information about their operations, workforce, supply chain, risk assessment processes and mitigation activities.

As part of that process, we assessed the risk according to the country location of the supplier and the risk associated with the specific goods/services purchased, namely the likelihood of vulnerable workers undertaking low skill and low paid work. Whilst we prioritised suppliers based on our risk assessment process, we recognise that our opportunity to influence may vary across suppliers. In instances where there is a potential higher risk but a reduced level of influence, we looked for opportunities to increase our leverage via a collaborative, cross-sector approach which we will further develop in 2025.

We have developed guidance for our procurement team on creating Improvement Action Plans in response to completed questionnaires and will then monitor suppliers for improvement and completion of agreed actions. We arranged sessions with the subject matter expert to ensure these guidelines are well understood and followed appropriately. This has further enabled the team to ask poignant questions to our suppliers and refine the Improvement Action Plans with those suppliers who required a strengthened modern slavery due diligence process.

Risk mitigation – Policies, processes and contracts



1. Vigilance Plan

Thales Group is required by French Law to develop a Vigilance Plan in accordance with the Duty of Vigilance Law (2017). The scope of the Vigilance Plan includes the environment, health, safety and human rights, including actions to address issues of forced labour.



2. Integrity & Corporate Responsibility Charter (ICRC)

To provide clarity for our supply chain partners, Thales Group has brought together the requirements of our Vigilance Plan with wide-ranging compliance issues such as anti-corruption and protection of information in our Integrity and Corporate Responsibility Charter (ICRC).

The ICRC states our commitment to Human Rights as set out in the International Labour Organisation (ILO) Conventions, including the elimination of forced labour.

Suppliers are requested to sign the charter to indicate their commitment to and compliance with the standards we expect of our partners.



3. Code of Ethics

Since 2001, Thales Group has published a Code of Ethics defining the guidelines of behaviour required within the Group, including those expected towards suppliers and employees. The Code of Ethics addresses Thales Group's responsibility to its staff including its obligation of equality of treatment, avoiding any discrimination and ensuring respect. It also addresses the requirement of all suppliers to comply with its principles in relation to human rights and labour standards and is fully implemented and applied within Thales UK. Thales employees in the UK are required to refresh and confirm their knowledge of the Code of Ethics on an annual basis.





4. Modern Slavery Policy

As part of our improvement plan, we revised our Thales UK Modern Slavery Policy which was published and is applicable to all our employees, suppliers, and subcontractors.



5. Modern Slavery Supplier Standards

To ensure that our suppliers and subcontractors are clear on our expectations and what good looks like, we published a set of clear and pragmatic standards to which our Tier 1 suppliers are required to adhere. The implementation of these Standards has commenced.



6. Whistleblowing Policy

Thales UK is committed to conducting its business with honesty and integrity and encourages a culture of openness and accountability. To support this approach, we operate a “speak up” programme via the Thales Alert Line to enable issues, including concerns about modern slavery, to be reported in confidence, with the assurance that they will be investigated, and appropriate action taken.

The Thales Alert Line can be used by all employees, including occasional employees of the Group (temporary or contractor), as well as all third parties, such as customers or suppliers of the Group, and members of the general public. We maintain a written process setting out the actions to be taken in the event that any unethical issues, including modern slavery, are reported.



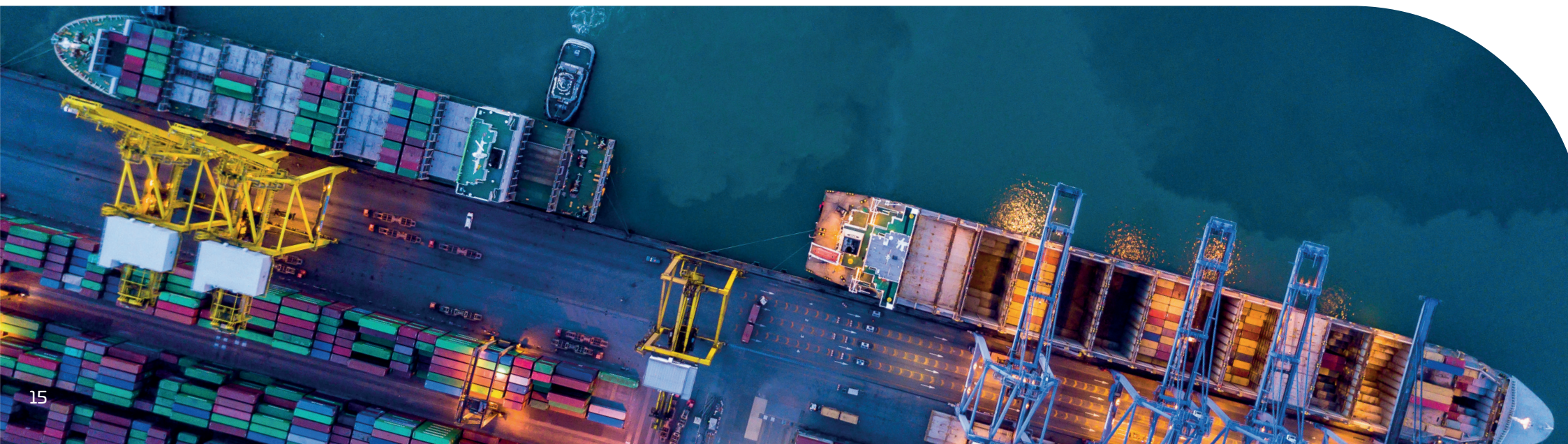
7. Grievance Procedure

The Thales UK grievance procedure outlines the steps for addressing any employment related grievances fairly and without unreasonable delay. It is the policy of Thales UK that all employees have access to a procedure to help deal with any grievances arising from their employment, and it is Thales’ aim to try to resolve all grievances informally in the first instance and as close to the point of origin as possible. Where an informal approach does not resolve the grievance to the employee’s satisfaction, the employee may raise a formal grievance without unreasonable delay.

Risk mitigation – Operations

Based on our improvement plan, we have updated and extended our risk mitigation across our Operations, as follows:

1. We have delivered and will continue to roll out specific training for the Procurement function to raise awareness and enable our Procurement Teams to effectively assess and mitigate risk. We provided additional training to our team via EcoVadis on “Identifying and remediating Modern Slavery”. Various modern slavery related training courses are now available for our Procurement teams to complete in this platform to deepen their knowledge on this important subject.
2. We have delivered a workshop, facilitated by Stronger Together, for our Procurement Policy and Process team to review our Purchasing Practices, and identify opportunities for improvement. We have conducted a mandatory Modern Slavery training campaign to all our Thales UK employees including graduates, contractors and early careers colleagues.
3. Thales UK communicates its Modern Slavery Policy as part of the UK Ethics, Integrity and Corporate Responsibility Programme. which includes:
 - Induction training for new Procurement employees
 - Awareness Videos i.e. Gangmasters & Labour Abuse Authority (GLAA) video
 - Intranet articles (Procurement and Ethics & Integrity pages), for example: “Modern Slavery is closer than you think”.



Risk mitigation – Supply chain

As part of our improvement plan, and as set out above, we have updated our policies, processes, and systems for managing risk in our supply chain.

We continue evaluating our highest-risk suppliers to identify gaps in risk assessment and mitigation, then agreeing corrective actions to ensure improvement. We will monitor progress and if necessary, terminate contracts where there is no evidence of a desire to improve.

However, we believe that collaboration is key to addressing modern slavery and we are keen to work with our suppliers to identify opportunities for improvement, identify best practice and focus on capability development. To this end, we have funded training for our high-risk Tier 1 suppliers and will continue to invite our highest-risk suppliers to attend complimentary training.

We are considering broader opportunities to develop supplier capabilities, such as the provision of training, webinars and supporting information which can be shared, together with our relevant policies, with our suppliers.





Potential and actual incidents

During 2024, no concerns were raised related to modern slavery, forced labour, child labour or human trafficking via the Thales Alert Line or any other channel. We continue to monitor all risks within our supply chain to ensure that any identified issues are properly investigated and reported, whilst prioritising the best interests of the potential victims involved.





Next steps

1

Conduct annual supplier risk assessments.

2

Provision of training to highest-risk suppliers.

3

Review Improvement Action Plans with newly identified suppliers to seek opportunities for further supplier development.

4

Further develop modern slavery training for Thales employees in line with the findings from the Modern Slavery Improvement Plan.

5

Develop Thales' modern slavery communications strategy and agree a plan of action to raise awareness.

6

Conduct social audits for selected highest-risk suppliers.

7

Encourage and support the implementation of responsible recruitment practices across our supply chain.

Related activities



CONFLICT MINERALS

Although Thales is not subject to section 1502 of the US Dodd- Frank Act, since it is not listed on the financial market of the United States, the Group exercises a Duty of Care regarding minerals from conflict zones (Conflict Minerals) to fulfil the expectations of its clients. In addition, it has incorporated into its approach the obligations under the European Regulation (EU) 2017/821, which took effect on January 1st, 2021. Thales submits these queries to its supply chain to ensure that the origin of the metals covered by these regulations can be verified as far as possible. The Group requires its suppliers to commit to adhering to its “Integrity and Corporate Responsibility Charter”, which involves compliance with the applicable laws and regulations concerning the procurement of conflict minerals such as 3TG (tungsten, tin, tantalum, gold). The Group also regularly carries out surveys among any suppliers concerned to collect information relating to the origin of the 3TG present in their products.

At the request of customers, the Group’s entities fill in and share the “Conflict Minerals Reporting Template” form.

By signing our Integrity & Corporate Responsibility Charter, Thales suppliers and partners commit to comply with applicable laws and regulations regarding sourcing of minerals such as 3TG and/or their derivatives from conflict areas. Suppliers are expected to exercise due diligence, as may be directed by law or regulation, on the source and chain of custody of these minerals and at a minimum require the same from the next tier of their supply chain.



EXTERNAL ACCREDITATIONS

Vigeo Eiris, of Moody’s ESG Solutions, has ranked Thales Group third in its sector for Environment, Social, and Governance (ESG) with an overall score characterised as “Advanced”.

In 2022, Thales reconfirmed its commitment to the United Nations Global Compact, to which it has been a signatory since 2003. The Group therefore implements the ten principles relating to human rights, labour laws, environmental protection, and anti-corruption advocated by this initiative through agreements and procedures. As a signatory to the United Nations Global Compact, Thales is therefore committed to implementing policies and processes that respect applicable law in the countries in which it operates, and which take into account the United Nations Guiding Principles on Business and Human Rights.

In 2020, Thales Group embarked on an ISO 37001 “Anti-Bribery Management System” certification process, which was successfully completed in March 2021. Thales Group was the first French company in its sector to be certified to the ISO standard and one of the first companies in its segment worldwide on the main stock market index in France (the CAC 40) to have obtained this certification. In May 2022, the ISO standard was successfully extended to cover Thales in the UK and was re-certified again on 2nd May 2024.



THALES INVOLVEMENT IN INDUSTRY SECTOR GROUPS

ADS Human Rights Working Group: Thales UK is a member of ADS, the leading aerospace, defence, security and space trade organisation for companies in the UK. Activities are focused around the following key areas: influencing the policy debates of most importance to our industries; supporting UK manufacturing and industries' supply chains; encouraging investments in technology and innovation and supporting business development opportunities.

The need to consider the human rights impact of an organisation's business activities is a subject of increasing significance for members of ADS. Since the launch of the UN Guiding Principles on Business and Human Rights (UNGPs) in 2011, ADS members are keen to work together to articulate what the salient issues for members are and what they are doing or need to do, to respond to these issues. It is not just regulation driven but part of our collective approach to responsible businesses delivering against the UN Sustainable Development goals, in this case Sustainable Development Goal Number 8 "Decent work and Economic Growth".

As part of ADS, Thales sponsors approximately 30 suppliers in the SC21 programme, which is designed to accelerate the competitiveness of the UK aerospace & defence industry by raising the performance of its supply chains. This community meets frequently, and Thales has communicated to this community on many issues related to sustainability, including the Modern Slavery Act 2015.

ADPG: Thales UK is represented on the Aerospace and Defence Procurement Group (ADPG) a sector wide group working in partnership with the Chartered Institute of Procurement and Supply (CIPS) to promote cooperation and common solutions to the key challenges facing the sector.

MOD SPWG: The Ministry of Defence Sustainable Procurement Working Group (MOD SPWG) is a collaborative Industry and Government panel of which Thales UK is a member. The working group shares and discusses threats and opportunities within the defence industry relating to environment, economic and social issues, including modern slavery and human trafficking.



Conclusion

Thales does not tolerate modern slavery and considers it to be an abhorrent crime that inflicts unacceptable harm on vulnerable adults and children. For a company that is serious about acting responsibly, good intentions are simply not enough. Thales has recognised this for some time and has been very proactive, progressively embedding corporate responsibility in all its business processes.

We are committed to maximising our efforts to tackle modern slavery, working in collaboration with our supply chain partners to ensure that we continue to develop our capability and understanding of this complex and challenging issue.

This statement was approved by the Thales UK Board on 18th June 2025 and is published in accordance with the UK Modern Slavery Act (2015).

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