Thales Australia
DIS Anti-Slavery Statement
2021
Modern slavery is a term used to describe situations where coerced, exploitative or oppressive actions 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.

In preparing this statement, we recognise that substandard working conditions or the underpayment of workers are practices which left unaddressed, may escalate into modern slavery. We do not tolerate modern slavery in any of our forms as part of our commitment to corporate responsibility.

This is the joint Anti-Slavery Statement (‘Statement’) for Thales DIS CPL Pty Limited (ABN 17 001 745 375), Thales DIS Australia Pty Limited (ABN 17 001 745 375) and Multos International Pty Limited (ABN 72 132 017 674) (collectively, Thales DIS). Thales DIS did not meet the reporting threshold set out in the Commonwealth Modern Slavery Act 2018 (the Act) for the last reporting period. This document is not prepared in accordance with the requirements of the Act.

Thales DIS entities are subsidiaries of Thales Australia Holdings Pty Limited (ACN 139 583 861) (Parent Company). The Parent Company is ultimately owned by Thales SA. Thales SA is a French société anonyme, identified with number 552 059 024 and referred to as Thales Group in this document.

From Q4 2021, Thales DIS procurement activities were managed by Thales Australia Limited – a subsidiary of the Parent Company. This Statement covers the period Q4 2021 and outlines the steps we have taken to mitigate the risk of modern slavery practices within our supply chain.

Acknowledgment of Country

Thales DIS acknowledges the traditional owners and custodians of the lands on which its facilities sit, and pays respect to their past, present and future cultures, and to the Elders, past, present and emerging.

Identification of the reporting entity

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About Thales DIS

Thales DIS technologies and services enable businesses and governments to authenticate identities and protect data so they stay safe and enable services in personal devices, connected objects, the cloud and in between.

Thales DIS offers a wide range of secured products, solutions and digital services in:

- Banking & Payment, providing financial institutions context and contactless payment cards, supporting their digital transformation with software, services and data encryption for digital banking, payments & ID verification.
- Big Data Analytics, providing the ability and intelligence to manage data and take decisive actions, in real time, giving a tremendous boost to the digital transformation across all industries.
- Enterprise Security, providing data encryption and identity and access management solutions built in the cloud, and for the cloud.
- Government, supporting Government agencies worldwide in civilian identity, biometrics and law enforcement, and supplying secure identity documents, ID verification services, digital government as well as border control, public security and criminal forensics.
- IoT, providing solutions for connected industrial and consumer services from smart energy to car entertainment.
- Mobile, providing enhanced connectivity and mobile ID verification solutions to the mobile ecosystem.
- Software Monetization, providing software companies and intelligent device vendors with software licensing, protection and entitlement management solutions.

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

Our supply chains refer to the goods and services we procure through subcontractors, suppliers and service providers (collectively referred to as ‘suppliers’ in this Statement). When assessing the risk of modern slavery within our supply chain, we considered whether we may cause, be linked to, or contribute to modern slavery, in alignment with the United Nations Guiding Principles on Business and Human Rights. In this assessment, we considered the geographic location, industry sector, products and services, governance of our suppliers.

With reference to data from the GSI and CPI, 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 chains. 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, commodities, consumables, electronic components, and labour used
- Apparel including items such as uniform 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)
The prevention of violations of human rights and fundamental freedoms and the health and safety of people is a fundamental imperative. The Group regularly reviews the measures it has in place to identify, mitigate and prevent modern slavery within its operations and supply chain. This informs our multi-faceted approach to modern slavery mitigation and is reflected in the policies and due diligence procedures we have implemented.

In preparing this Statement, we considered our governance framework, the policies and procedures applicable to our workforce and supply chain, incident and remediation measures, and engagement and awareness actions taken.

Policies & governance
We endeavour to conduct our business in a safe, responsible and sustainable manner. Our comprehensive governance and policy framework provides a strong foundation for assessing and addressing our modern slavery risks and continually demonstrates our dedication to managing the risks associated with modern slavery. Our key policies that support our commitment to the prevention of violations of human rights and fundamental freedoms and the health and safety of people are set out below, with more information available on our website.

Policies
Our employees can easily view our policies and procedures (including those relating to modern slavery and corporate responsibility) in our centralised reference management system.

- Thales Group’s Code of Ethics communicates the standard of behaviour expected of all employees and suppliers to deliver our company purpose of “building a future we can all trust”. This includes requirements to comply with commitments made by Thales Group to the United Nations Global Compact principles concerning human rights and labour standards.
- Thales Group’s Code of Conduct specifies best practices for the prevention of corruption, provides guidance in respect of gifts and hospitality, and defines rules for interactions with third parties, including the management of conflicts of interest. It is supported by the Group’s Policy on Detection, Prevention and Management of Conflicts of Interest, which identifies conflict of interest situations and defines measures for dealing with real or potential cases.
- Thales Group’s Prevention and Detection of Corruption and Peddling Policy defines our framework for the management of corruption including risk mapping processes, third-party vetting, incident management and continuous review.
- Thales Group’s Internal Alert Policy provides a whistleblowing mechanism which is detailed in the Incident and Remediation section of this Statement on page 44.
- The Group Procurement Policy sets the standard for all procurement activities and supports our commitment to upholding the United Nations Global Compact concerning human rights, labour, the environment, and corruption prevention. It specifies the group’s approach to corporate responsibility compliance of suppliers which includes an assessment of compliance with social and environmental regulations and anti-corruption measures. Thales sets out its expectations of suppliers.
- Thales Group’s Integrity & Corporate Responsibility Charter outlines our expectations of the suppliers we work with. It is based on the Code of Conduct of the International Chamber of Commerce’s Business & Human Rights and covers human rights, employment practices, anti-corruption, and health and safety. The charter is referenced in our contracts and purchase orders. This is detailed further on page 5.
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Governance & Oversight
We have multiple forms of oversight to ensure that modern slavery risks are considered and managed at all levels of the organisation.

- Modern slavery is incorporated in the Thales Group approach to Corporate Responsibility and Integrity. It sets procedures and processes we are required to follow to minimise risks arising from corruption, bribery and modern slavery. These are under our Group-level governance committees including the Integrity and Compliance Committee, Risk Assessment and Compliance Committee and Strategic and Corporate Social Responsibility Committee.
- Our Board is responsible for overseeing our operations and approving the annual modern slavery statement. It receives updates from the Compliance and Audit Risk Committee as required and assists the Board in fulfilling its responsibilities concerning modern slavery compliance.
- Management committees that govern various aspects of our modern slavery approach include:
  - Ethics Committee: The 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 has defined. The Committee also assesses the credibility of internal clients and any allegations of integrity or compliance violations brought to its attention. In addition, the Committee defines and allocates resources for supporting and sharing a culture of ethics, integrity and corporate responsibility within our organisation.

actions taken to assess and address these risks

The prevention of violations of human rights and fundamental freedoms and the health and safety of people is a fundamental imperative. The Group regularly reviews the measures it has in place to identify, mitigate and prevent modern slavery within its operations and supply chain. This informs our multi-faceted approach to modern slavery mitigation and is reflected in the policies and due diligence procedures we have implemented.
The Integrity & Corporate Responsibility Charter

This charter relationship begins with a commitment from our suppliers and partners to adhere to the principles set out in the Integrity & Corporate Responsibility Charter. Non-compliance to the charter may result in the implementation of a remediation plan, and in cases of continued or severe non-compliance, the termination of our contractual relationship with you. Our suppliers must ensure that their own suppliers and subcontractors, partners and associates comply with the same requirements set out in the charter.

Supply chain due diligence

Thales DIS manages a large portfolio of suppliers, with purchasing primarily occurring through our centralised procurement team. We are committed to working with suppliers that are transparent in their operations and supply chains and steps taken to assess and manage modern slavery risks. To this end, we approach all new suppliers and existing suppliers for whom there is concern about the risk of modern slavery through our centralised procurement team. We are committed to building relationships with suppliers that respect human rights and are acting to address any areas which may indicate behaviour below the standard expected of our suppliers. We expect everyone to act consistently with our Code of Ethics and core values.

In keeping with those values, 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.

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Contractual Clauses

We began to incorporate integrity and corporate responsibility clauses into our new and renewing supplier contracts throughout Q4 2021. These clauses require our suppliers to take steps to ensure compliance with Thales DIS and adherence to our Integrity & Corporate Responsibility Charter which addresses modern slavery. These clauses also act to further increase the awareness of the expectation of suppliers to manage the modern slavery risks within their own supply chain.

Vendor Screening

We follow the Thales Group process for vendor screening which was revised during the reporting period to include additional categories of potential risk. This process has been developed through extensive mapping of Thales Group’s supply chain and risks relating to human rights, health and safety, and corruption. This mapping has identified 25 countries and 19 categories of supply at increased risk of modern slavery practices, and 80 purchase categories at risk of corruption practices. A risk rating is assigned to each supplier based upon the supplier’s geographic location and category of supply and determines the mitigating actions we will take to address slavery and corruption. This risk assessment is required to undergo a corporate responsibility assessment and/or integrity assessment (detailed in this section) if they are identified as being in an at-risk category.

Corporate Responsibility Assessment

We have partnered with a third-party assurance organisation to help us better understand our supply chain and its responsibility towards its slavery risks. During onboarding, we provide suppliers details to the third-party who provides an assessment of risk in the categories of human rights violations, environmental harm or poor health and safety. Suppliers assessed as high risk are required to undergo further assessment procedures 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 required 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.

Integrity Assessment

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. Where criteria are identified in geographic locations or specific products which are at risk of modern slavery, we may request suppliers to complete an integrity or corporate responsibility assessment. This enables us to build a risk profile and identify any areas which may indicate behavior 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. Where assessing the responses to our integrity questionnaire, we may identify factors that require an in-depth investigation. Further steps may be engaged with the supplier, or an action or remediation project be implemented. Our process also includes a list of factors which if identified, will prevent us from engaging with that supplier.

We recognize the requiring and addressing the risk of modern slavery in our extended supply chain (that is, beyond tier one) is a key challenge requiring further work to manage.

Grievance & remediation processes

We expect everyone to act consistently with our Code of Ethics and core values. In keeping with these values, we exchange our employees and others we work with to come forward through our whistleblowing process if they see conduct that they believe is problematic.
The Internal Alert Policy sets out how to make a disclosure and our processes and procedures for investigation of disclosures. 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;
- ensure transparency around our framework for receiving, handling and investigating disclosures; and
- help deter wrongdoing.

We utilise Group internal alert system 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, training & awareness**

Training is provided to develop the skills and awareness of modern slavery within our procurement teams and our people managers. In 2021, our procurement team hosted educational sessions with business teams to further embed our mitigation processes. Representatives from our procurement team also engaged with external parties to share learnings around modern slavery and procurement practices.

The Group’s Ethics, Integrity and Corporate Responsibility and our local Modern Slavery intranet page allows for continued awareness and engagement on the risk. Through these pages, all employees can view the latest news, learn more about our policies, guides, tools and internal instructions and access the Group’s internal alert system.