

BAE Systems Australia

Modern Slavery Statement

2025





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Acknowledgment of Country

BAE Systems Australia celebrates diversity of First Nations communities and acknowledges Traditional Custodians of Country connected to our sites and offices. We recognise and respect their cultural heritage, belief and relationship with the land and waters of our beautiful Nation. We extend that respect to all First Nations peoples across the Nation.

Artwork by the late Elizabeth Yanyi Close



Statement from our CEO

Modern slavery can occur across any industry and at any stage of a supply chain. At BAE Systems Australia, we are committed to identifying and addressing modern slavery risks in our operations and across our network of industry partners.

As a large defence company supporting critical national capability across diverse and complex markets, upholding high standards of integrity and responsible business conduct is central to how we do business every day.

The people who contribute to our organisation – whether in our workforce or across our supply chain – deserve to be treated with dignity and respect. We have a responsibility to remain vigilant in identifying and addressing modern slavery risks that may affect them.

As this statement suggests, the BAE Systems Australia approach is underpinned by robust governance and guided by internal frameworks including our Code of Conduct, Supplier Code of Conduct, Responsible Supply Chain Shop Window, and relevant company policies.

Together with our global Human Rights Statement, these frameworks set clear expectations for responsible business conduct and promote our commitment to working conditions that are safe, fair, and respectful.

During 2025, we built on this commitment through a number of initiatives, including:

- > strengthening our procurement guidance through the introduction of a Responsible Supply Chain Handbook.
- > updated our Supplier Code of Conduct;
- > collaborated with industry peers to strengthen due diligence consistency; and
- > continued engaging suppliers on modern slavery awareness.

Effective action requires ongoing vigilance, transparency, and collaboration with our suppliers, government, and industry partners. Informed by improved systems, data and insights, BAE Systems Australia will continue to develop and refine our approach towards identifying and addressing potential risks to the people who contribute to our organisation.

As Chief Executive Officer, I remain committed to ensuring our company works to strengthen the systems and governance to reduce the risk of modern slavery in our operations or our supply chain.





Reporting entities covered by this statement

BAE Systems Australia Holdings Limited ACN 008 648 333 (BAE Systems Australia Holdings) is a company incorporated and operating in Australia. It is ultimately wholly owned by BAE Systems plc, Company Number 1470151, a company incorporated in England and Wales and listed on the London Stock Exchange.

BAE Systems Australia Holdings has submitted this statement on behalf of the following companies, specifically:

- > BAE Systems Australia Limited, ACN 008 423 005
- > BAE Systems Australia Defence Pty Limited, ACN 006 870 846, and
- > ASC Shipbuilding Pty Limited, ACN 051 899 864.

Together, the above companies are referred to in this statement as the BAE Systems Australia Group. References to “BAE Systems Australia” throughout this statement are used to describe the business, operations, workforce, supply chain or activities of all entities in the BAE Systems Australia Group in general terms. References to the “global Group” are used to describe all entities in the corporate group owned by BAE Systems plc.

This Modern Slavery Statement is made pursuant to section 14 of the Modern Slavery Act 2018 (Cth) and sets out the steps BAE Systems Australia has taken to identify and address modern slavery risks in our business and supply chain in Australia, during the reporting period of 1 January to 31 December 2025.

This statement was approved by the Australian Management Board on 10 June 2026 in its capacity as the principal governing body of BAE Systems Australia.

The Australian Management Board comprises the statutory Directors and the Company Secretary of all companies in the BAE Systems Australia Group, together with other executive leaders.

Whilst BAE Systems Australia Holdings has submitted this statement, BAE Systems Australia Holdings is the holding company of the BAE Systems Australia Group and does not have any outward-facing operations or undertake external procurement.

Consultation between entities within the BAE Systems Australia Group was undertaken during the reporting period, supported by a collaborative working group of BAE Systems Australia Group employees, who contributed to the development of this statement via a shared online platform.

This statement is signed by Craig Lockhart in his role as a Director of BAE Systems Australia Holdings Limited, and Director and Chief Executive Officer of BAE Systems Australia Limited on 19 June 2026.

BAE Systems Digital Intelligence Pty Ltd

BAE Systems Digital Intelligence Pty Ltd (ACN 111 187 270, “Digital Intelligence”) is wholly owned by BAE Systems Australia Limited (ACN 008 423 005); however, due to the nature of its operations, and particularly as its supply chain activities are managed by other parent entities in the global BAE Systems group, this statement does not apply to Digital Intelligence.

Digital Intelligence is an Australian-based provider of digital solutions to defence and security customers. It adopts similar approaches to assessing, managing and addressing modern slavery risks, aligned with global modern slavery policies mandated by BAE Systems Plc and supported by relevant local policies. Employees also have access to relevant training, and the Ethics Helpline.

There is annual consultation within Digital Intelligence in respect of matters relating to modern slavery governance and assurance. Internally Digital Intelligence undertakes appropriate due diligence activities, which include:

- > expecting suppliers to comply with BAE Systems’ Supplier Code of Conduct
- > mandatory modern slavery training for all Supply Chain employees
- > supplier assurance based on a range of risk parameters, including geographic location and the nature of supply
- > regular review and update of internal processes
- > availability of Ethics Officers to support ethical practices and to enable employees, contractors, suppliers, and customers to confidentially raise any ethics concerns.

This section on BAE Systems Digital Intelligence Pty Ltd was endorsed by its directors on 10th Mar 2026.



Introduction

We are committed to conducting business responsibly to minimise the risk of slavery, slavery-like practices, and human trafficking within our operations and supply chain.

Within our own operations, BAE Systems Australia mitigates the risk of modern slavery through a range of internal controls. These include robust recruitment and onboarding practices, right-to-work checks, and adherence to our Global Code of Conduct. Our policies and procedures are designed to promote safe, fair, and inclusive working environments and are regularly reviewed to ensure continued alignment with our human rights commitments.

We expect our suppliers to refrain from engaging in any form of modern slavery, including human trafficking and forced, bonded or indentured labour. All work should be voluntary, and workers should be free to leave employment at any time.

Suppliers are expected to provide all employees with a written contract or offer letter (depending on the jurisdiction of employment) in their local language outlining their rights and responsibilities relating to wages, working hours, benefits and other conditions of employment. Where legally required, these contracts must also be formally registered.

We also expect our suppliers to ensure that child labour is not used in the performance of work. The term 'child' refers to any person under the minimum legal age for employment where the work is performed, and/or the minimum working age as defined by the International Labour Organization (ILO), whichever is higher.





2025 achievements and 2026 plans

What we achieved in 2025

- > Introduced a global Responsible Supply Chain Handbook to all employees – which includes guidance around Environment, Social Value, and Governance (ESG) considerations including modern slavery.
- > Continued to deliver Supply Chain Risk Management and Modern Slavery Awareness e-learning to targeted employees.
- > Continued to assess our supply chain against high-risk categories and geographies.
- > Refreshed our Supplier Principles – Guidance for Responsible Business and renamed them our Supplier Code of Conduct.
- > Continued risk-based assurance with suppliers to confirm adoption of our Supplier Code of Conduct.
- > Future-proofed our approach to sub-tier mapping with the completion of user-acceptance testing of a technological solution to improve the accuracy of sub-tier mapping.
- > Initiated sub-tier supply chain mapping with priority suppliers through strategic supplier programs, supporting improved visibility of supply chain risk.
- > Launched a new Sustainability Analysis module within the Joint Supply Chain Accreditation Register (JOSCAR) due diligence platform – providing suppliers with a benchmark against ESG criteria - including modern slavery.
- > Continued to align supplier due-diligence processes with jurisdiction-specific requirements, including implementation of additional supplier declarations, where relevant.
- > Applied internal review and escalation processes in response to a labour-related concern within the supply chain, reinforcing investigation pathways and supplier engagement expectations.
- > Increased internal awareness and supplier engagement relating to themes within the global Responsible Supply Chain Shop Window, including modern slavery and human rights considerations.
- > Collaborated with other defence primes to improve supplier due diligence consistency and reduce duplication across the sector.

What we plan to do in 2026

- > Continue to engage with suppliers to reinforce modern slavery as a business risk and promote our Ethics Helpline as a mechanism for reporting concerns.
- > Implement a formal Ethics Officer governance framework to strengthen the independence and effectiveness of our local ethics mechanisms, including senior cross-functional review.
- > Continue to collaborate with industry partners to support greater consistency in supplier due diligence expectations and practices.
- > Strengthen our approach to supply chain sub-tier visibility by leveraging enhanced technology capabilities to support improved mapping accuracy.
- > Continue risk-based supplier assurance activities, including assurance relating to the adoption of the Supplier Code of Conduct.
- > Further enhance supplier engagement and due diligence processes for suppliers identified as presenting a higher risk associated with modern slavery.
- > Further embed modern slavery considerations into internal ESG governance forums, including increased engagement with the BAE Systems Australia ESG Sub-committee to support oversight and cross-functional accountability.
- > Continue to align our supplier due-diligence processes with jurisdiction-specific human rights and modern slavery requirements, supporting readiness for future regulatory developments.
- > Strengthen processes for assessing, escalating and responding to potential modern slavery risks identified through supplier engagement, reporting channels and monitoring activities.



2025 key performance indicators

96% 

Of procurement professionals have
completed modern slavery training

0 

Instances of modern slavery identified
in our Supply Chain through current due
diligence processes.

0 

Number of calls to Ethics Helpline regarding
human rights and modern slavery in our
business operations or supply chain.

91% 

Of Tier 1 suppliers have acknowledged
our Supplier Code of Conduct.





Overview of BAE Systems Australia

BAE Systems Australia has more than 70 years history of equipping and supporting the Australian Defence Force with world leading technologies and equipment to help maintain a capability edge.

As the nation's largest defence and security company, working across a diverse portfolio of capabilities in the air, maritime, land, battlespace and cyber domains, our success is built on collaboration and partnerships across industry, academia and within the communities in which we operate.

The Australian Government, acting through the Department of Defence, is our principal Australian customer. Many of our contracts are entered into with the Australian Government and cover a wide range of defence procurements, following tender processes. These contracts are typically lengthy, complex and of national significance.

Our other customers include:

- > private companies in Australia;
- > private foreign companies; and
- > foreign governments.

Generally, we enter contracts as the prime contractor (through one of the entities within the BAE Systems Australia Group). However, in some cases, we contract with another defence industry prime contractor and operate as a first or lower-tier subcontractor to a government procurement.

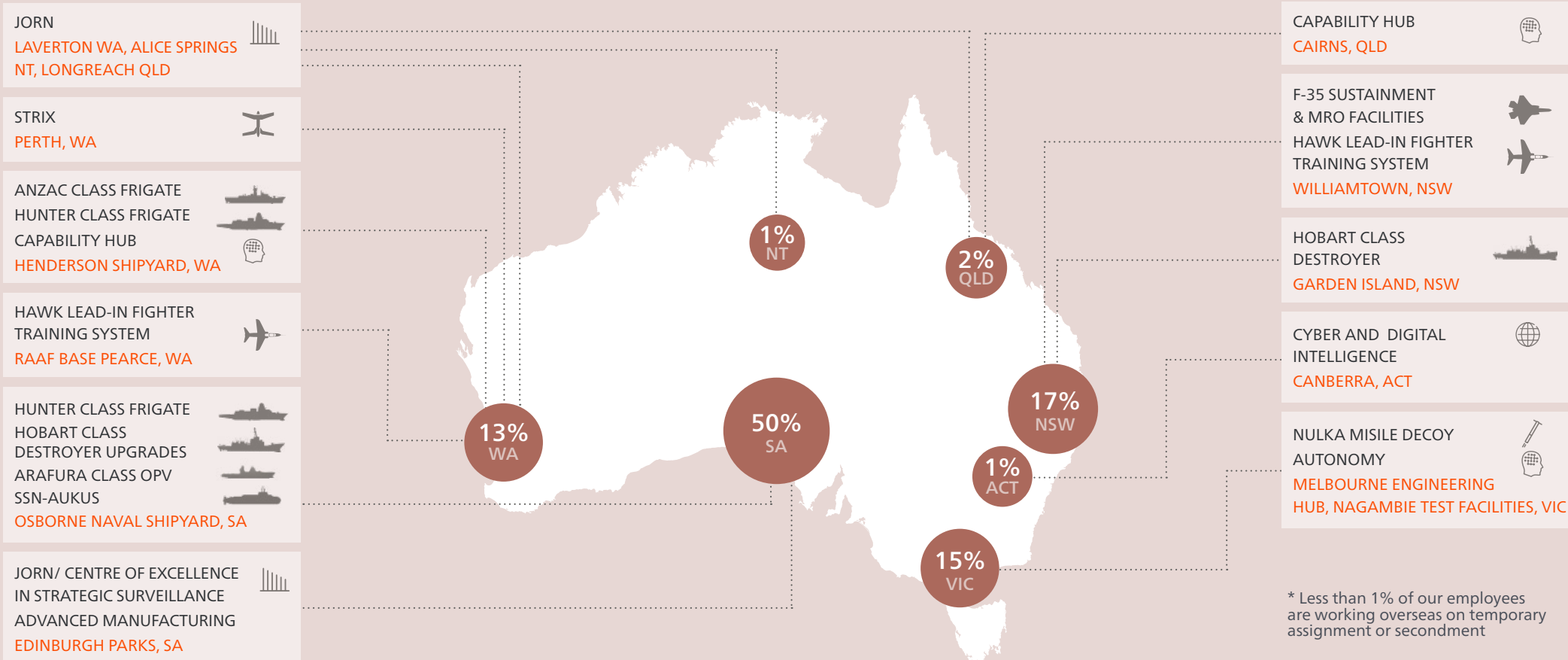
Our contracts span a wide range of defence programs and typically operate on either an acquisition basis (i.e. the design, development, manufacture, integration, and commissioning of a new defence capability), or a sustainment basis (i.e. ongoing support for and servicing of existing defence capabilities). From time to time, our customers order ad hoc goods from us, either in connection with the main contract or independently.

At the end of the reporting period, BAE Systems Australia directly employed more than 6900 people at 40 operational sites across Australia. Our workforce was also supported by contracted labour arrangements across parts of our operations. In addition, some employees were working overseas on temporary assignment or secondment during the reporting period.





Structure, operations and workforce



At the end of the reporting period, BAE Systems Australia directly employed more than:

6,900+ people

40 operational sites
across Australia



Supply chain overview

We are committed to responsible and sustainable procurement practices across our business – but we cannot achieve this alone. Therefore, it is important that we collaborate and partner with suppliers to make a positive business impact over the long-term.

In 2025, BAE Systems Australia spent more than \$1.24bn with more than 1,500 directly contracted suppliers and partners from around the world.

Many of our supplier relationships are long-lasting due to the complexity of our products and their long lifecycles, so it's critical we work with suppliers who embrace ethical standards, values, and behaviours consistent with our own. We often partner with suppliers to help build and grow sovereign capabilities that will support the nation's industrial resilience.

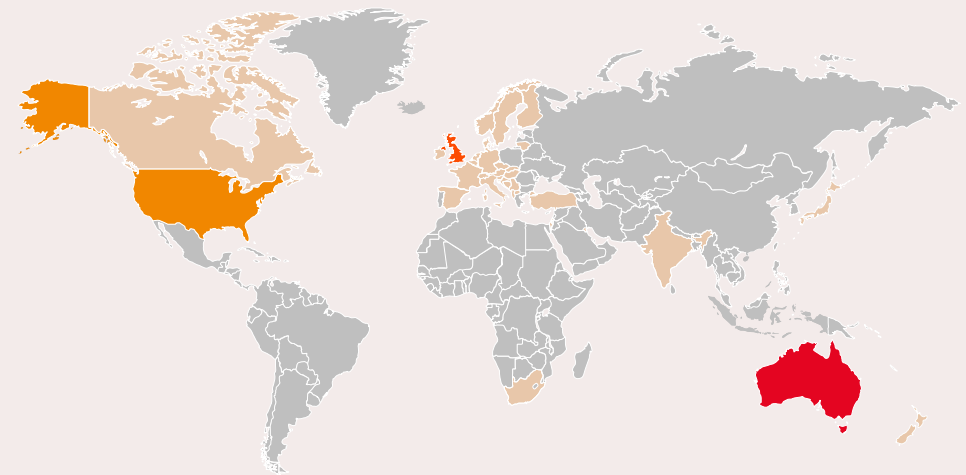
We purchase a wide range of products from our directly contracted Tier 1 supplier network, which is primarily based in Australia, the United Kingdom, and the United States. The remaining suppliers are distributed across a range of countries, primarily within Europe and other countries with established regulatory and labour standards, with no single country representing more than 1% of the supplier base.

The products we procure are either integrated into the equipment and solutions we sell to our customers (direct purchases) or are used to support the efficient running of our internal operations (indirect purchases).

Direct purchases vary in complexity, from raw materials (such as steel for our shipbuilding, and aluminium and titanium for our aircraft manufacture), to complex electronic systems and propulsion systems for our air, sea and land vehicles. Other direct purchases include platform support, maintenance services, and IT solutions – including those for cyber security and protection.

Purchases can range from commercial off-the-shelf catalogue items such as electronic components, to modified off-the-shelf items, such as power supplies. At the more complex end, we procure fully bespoke systems under major subcontracts, including propulsion systems, flight control systems, weapon systems, and their associated ground test equipment. In many cases our direct suppliers have second and third tier suppliers that supply them with raw materials, components or sub-assemblies.

Indirect purchases include travel providers, manufacturing consumables and temporary subcontract labour.



Tier one supplier locations

	Australia	83%
	United Kingdom	6%
	United States	4%
	Other	7%

Our supply chain structure, including directly contracted (Tier 1) suppliers informs our risk-based approach to assessing and prioritising modern slavery risks across both our direct and indirect supply chain.



Assessment of modern slavery risk in our operations

We have considered the location of our employees and the type of work undertaken as the basis for assessing and understanding the modern slavery risks in our operations. Insofar as our operations are concerned, the services that we provide directly to our customers are typically of a highly complex nature requiring a high level of skill, training and education. Further, all directly employed staff are required to be Australian citizens, permanent residents or have the legal right to work in Australia.

Due to the nature of the industry that we work in and the customers we support, all potential employees and temporary workers for our Australian businesses go through a pre-employment vetting process covering identity, employment and academic history, nationality and right to work status and criminal record checks.

Our workforce based in Saudi Arabia supports training activities and comprises instructor pilots, aircraft maintenance, other specialists and management personnel. All are highly skilled and educated employees who are recruited and supported by a team based in Australia and employed under an Australian employment contract compliant with Australian laws.

Risks may potentially arise from the engagement of third-party contracted labour performing work on our behalf. However, this labour is engaged solely within Australia and, for the reasons outlined below - including our due diligence activities in respect of all our suppliers - we consider the risk of modern slavery to be low.

We maintain processes designed to ensure that all employees have a contract of employment or letter of offer clearly indicating their rights and responsibilities regarding wages, working hours, benefits and other working and employment conditions. Our processes are designed to ensure we do not retain any original form of employee identification (passports or work permits), nor destroy or deny access to such documentation, as a condition of employment unless required by applicable law.

Although the assessed risk of modern slavery within our operations is considered low, we remain committed to taking immediate and appropriate action should concerns arise. If modern slavery or human trafficking were identified within our operations or supply chain, we would act swiftly, escalate the incident through appropriate internal channels, and cooperate fully with relevant authorities to ensure our business activities are not perpetuating modern slavery. This may include revising internal policies and processes, initiating investigations, and taking corrective action as required. These actions would be in line with both local procedures and global processes mandated by BAE Systems plc, and any contractual arrangements.

Our global and local policies and processes for our operations:

- > Support the rights of freedom of association and the effective recognition of the right to collective bargaining, where legally permissible.
- > Aim to eliminate all forms of forced and compulsory labour and effective abolition of child labour.
- > Promote respectful, fair and equitable treatment in employment. Including the elimination of discrimination in respect of employment and occupation.
- > Seek to ensure that employees are provided with clear terms of employment, including wages, working hours and conditions.
- > Prohibit the retention of sensitive identification documents and ensuring employees retain control of their personal identification documentation.





Assessment of modern slavery risk in our supply chain

We continue to assess modern slavery risks within our Tier 1, directly contracted supply chain. We recognise that risks may arise beyond our directly contracted suppliers, particularly where raw materials, components or labour-intensive services are sourced through lower-tier supply chains. While our current assessment is focused on Tier 1 suppliers, we continue to consider proportionate approaches to improve visibility of these risks over time.

Our assessment considers suppliers' geographic locations (geographical risk) and the types of goods and services they provide (products and services risk). Our assessment approach is informed by recognised modern slavery risk indicators.

Products and services risk

We have reviewed our procured products and services to identify categories that may present higher inherent modern slavery risk.

Categories recognised as higher risk include those with characteristics such as labour intensity, subcontracting, lower barriers to entry, and the potential involvement of vulnerable workers, including migrant, temporary, lower-skilled or lower-paid workers.

Categories recognised as higher risk include:

- > catering
- > cleaning
- > temporary labour
- > construction

Modern slavery risks may also be elevated where products and materials are sourced from countries with limitations regarding regulation or oversight, and where there is potential for lower-tier supply chain exposure. This includes:

- > electronics
- > raw materials
- > workwear and textiles.

The identification of these categories reflects areas where there may be a higher inherent risk of modern slavery based on the location or nature of the goods and services provided. This does not mean all suppliers within these categories present a higher-risk in practice, and risk is assessed on a case-by-case basis through our broader supply chain due diligence processes.

Approximately

35%

of company suppliers contracted in 2025 fell into one of more of these categories

Geographical risk

Our direct contracts continue to be primarily based with suppliers located in Australia, UK, Europe, and the United States. Countries within these areas present a lower risk for modern slavery. Four of our directly contracted suppliers are in countries where there is a high risk of modern slavery.

Less than

1%

of company suppliers are based in locations that are considered high risk for modern slavery

Actions taken to assess and address these risks

Our approach to governance of human rights and modern slavery

We are committed to respecting human rights wherever we operate, in the activities that are under our full and direct control. This applies equally to our employees, our suppliers and business partners, all of whom are expected to adopt high standards of ethical behaviour.

Our global Human Rights Statement outlines our approach to responsible business conduct in the activities that fall under the full, direct control of BAE Systems Plc, including in relation to anti-corruption and the environment, as well as our workplace, supply chain, products, and the communities in which we operate. BAE Systems Australia aligns with this global approach and applies these principles across our Australian operations and supply chain.

Our approach to human rights constitutes:

- > Maintaining high ethical standards and acting in a socially responsible manner in accordance with applicable laws.
- > Respecting and supporting the communities in which our businesses are located.
- > Maintaining and improving policies and processes which relate to human rights where we operate, in respect of activities under our full and direct control.
- > Responsible product development.
- > Respecting the labour and workplace rights of our employees in accordance with national laws.
- > Working with suppliers and business partners that are expected to adopt high standards of ethical behaviour and business conduct, consistent with our own, in accordance with applicable national laws.
- > High standards of ethical behaviour and business conduct, consistent with our own, in accordance with applicable national laws.

For more information on our human rights approach and statement, visit: baesystems.com/humanrights



Case Study: Review of a Potential Labour Practice concern

BAE Systems Australia maintains processes to review and assess potential labour practice concerns that may be raised through stakeholder engagement, supplier interactions or other monitoring activities across its operations and supply chain.

During the reporting period, BAE Systems Australia reviewed a potential labour practice concern relating to a supplier within its' broader supply chain that was raised by an external stakeholder.

The company undertook a review consistent with its' employee engagement and supply chain processes. The company has a range of processes available to it which include engagement with the supplier; internal assessment of the available information; and internal escalation pathways where concerns are identified. While the review did not identify evidence of modern slavery in connection with the concern that was raised, the process reinforced responsible sourcing expectations and the importance of investigating potential risk indicators within the supply chain.



Governance

The Board of BAE Systems plc has oversight of matters relating to human rights arising from its operations and supply chains globally, including safety, ethics, responsible business conduct, an inclusive workforce, stakeholder and employee engagement, and supplier conduct. The Board's ESG Committee assists the Board with promoting the long-term ESG success of BAE Systems plc and its businesses, including oversight of the global approach to the application of human rights.

The Chief Executive of BAE Systems plc has primary responsibility for delivery of the business strategy and is supported by the global Group ESG, Culture & Business Transformation Director who advises on the global Group's sustainability strategy and direction and liaises with the business teams in relation to delivery of that strategy.

Within Australia, BAE Systems Australia aligns with the global Group's sustainability strategy and operates under the Australian Operational Framework, which describes our governance structure, roles, responsibilities and delegated authorities.

The Australian Operational Framework aligns with the global Operational Framework mandated by BAE Systems plc and is supported by global policies and governance mechanisms, together with additional requirements relevant to the Australian business and regulatory environment, including our obligations under the Modern Slavery Act 2018 (Cth).

Our commitment and approach to human rights, including modern slavery, is reflected in both global and Australian policies and processes, including the Code of Conduct, supplier-facing requirements and relevant governance arrangements. These policies and processes support the application of BAE Systems plc expectations with the Australian operating context.

Line and functional Leaders, including the Chief Executive Officer of BAE Systems Australia, are responsible for ensuring compliance with the Operational Framework and applicable policies that support responsible business conduct, human rights and modern slavery risk management.

At the Australian level, BAE System Australia's governance arrangements include Australian Management Board Sub-committees, including the ESG Sub-committee and the Risk & Audit Sub-committee.

The Risk & Audit Sub-committee is chaired by the Chief Counsel and reviews and endorses the Modern Slavery Statement prior to submission to the Board for approval. For the 2026 reporting period, assurance over this statement will be provided by the ESG Sub-committee, which supports oversight of sustainability and responsible business priorities. As part of ongoing governance maturity BAE Systems Australia intends to explore opportunities to further enhance engagement within internal governance forums (including these Sub-committees) on the topics of responsible supply chain and modern slavery.

BAE Systems Australia also participates in the enterprise Modern Slavery Working Group convened by BAE Systems plc, to support alignment with broader BAE systems plc approaches to risk assessment and management, and to facilitate the sharing of insights on modern slavery and broader human rights considerations.



Governance of our supply chain

BAE Systems Australia's supply chain governance is informed by BAE Systems plc's Global Procurement Policy which sets expectations for procurement control and the management of supplier-related risks across the global Group. In Australia, these requirements are applied through local procurement, supplier onboarding, due diligence, assurance, and contract management processes.

These processes are supported by the Supplier Code of Conduct, which sets out the standards expected of suppliers and their supply chains, including in relation to human rights and modern slavery. Our standard purchasing terms support these expectations through modern slavery compliance, reporting and notification obligations.

Risk-based due diligence, and audit activity is undertaken for all third parties with whom we engage, whether supplier, adviser, potential joint venture partner, acquisition opportunity or other third party. Where required, this may include establishing the identity of the third party in terms of beneficial ownership and gathering of sufficient information to assess relevant bribery and corruption risks.

Prior to approving and selecting suppliers, we outline the products and services we need and establish a way to identify interested suppliers taking into consideration risk of commodity and supplier location.

Once we have a shortlist of potentially suitable suppliers, those suppliers are asked to complete questionnaires and undergo risk-based due diligence, as appropriate, against several non-financial risks, which include:

- > responsible trading principles - business ethics, anti-corruption and anti-bribery, governance and legislation;
- > human rights - working hours, harassment and unlawful discrimination, whistleblowing line, slavery, human trafficking and child labour;
- > responsible sourcing - including conflict minerals.

As part of this process, certain suppliers may be invited to participate in the Joint Supply Chain Accreditation Register (JOSCAR), an industry supplier due diligence and assurance platform used across the defence sector. BAE Systems Australia also participates in broader cross-industry discussions associated with the JOSCAR platform to support ongoing enhancement of supplier due-diligence questions.

The output from the completed questions and risk-based due diligence is assessed before suppliers (often after a competitive tender) are either approved on the quality assurance and finance system or deemed unsuitable. In some cases, suppliers are approved with mitigation actions or corrective action plans. Each plan is specific to the supplier and project to which it is supplying.

An example may be, where a potential new supplier does not have a code of conduct in place or an equivalent standard to our own. The action may be to support the supplier to develop and implement their own code of conduct, or if they are not prepared to do this, we may choose to use a different supplier.

Following supplier approval, supplier-related risks are managed through ongoing supplier management processes. These may include periodic review of supplier performance, review of supplier compliance with applicable requirements, and engagement with suppliers where risks, gaps, or improvement opportunities are identified.

BAE Systems Australia also contributes to global Supplier Code of Conduct assurance activities linked to global supplier spend, which support visibility of supplier adherence to our Supplier Code of Conduct.

Supplier-related risks and assurance outcomes are also considered through Quarterly Supply Chain Governance and Risk Reviews, which provide a forum for senior procurement and sustainability professionals to identify matters requiring further investigation, escalation or mitigation.





Governance of our supply chain - continued

Supplier Readiness & Assurance Team

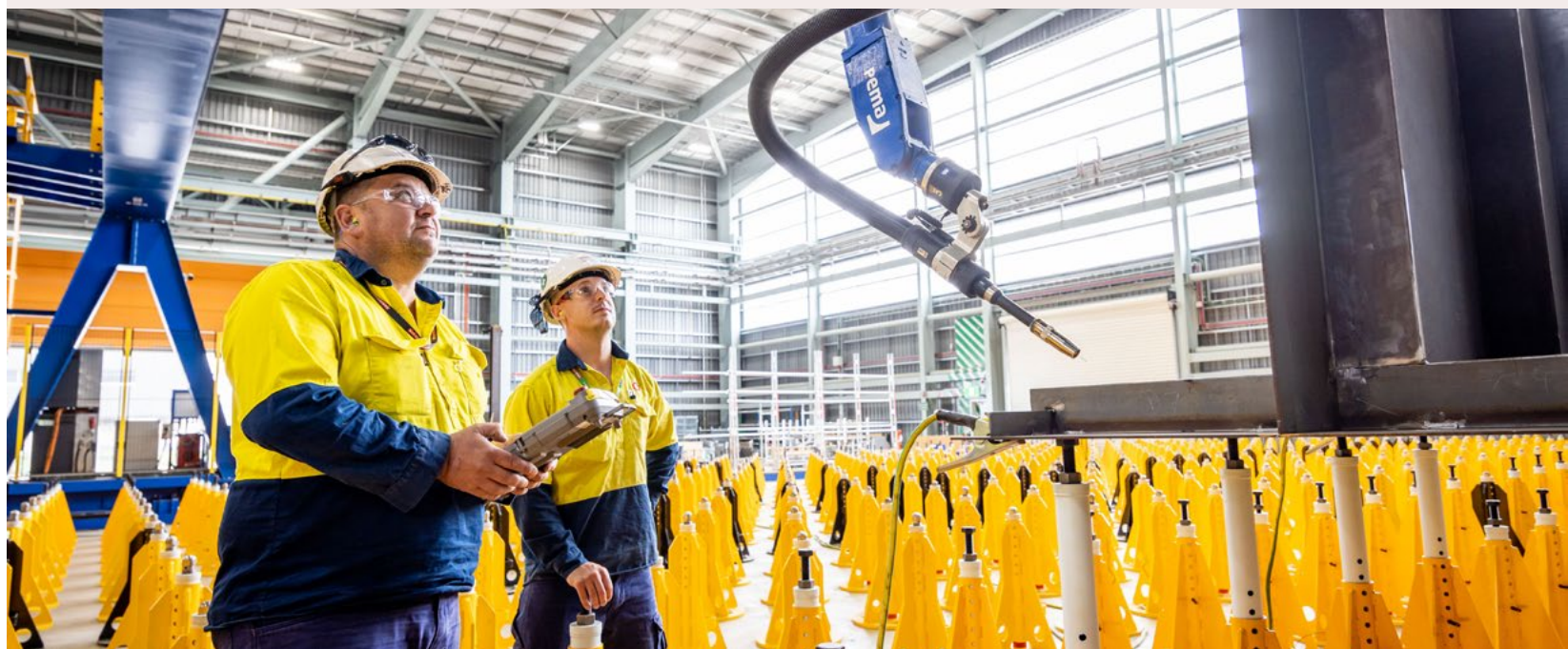
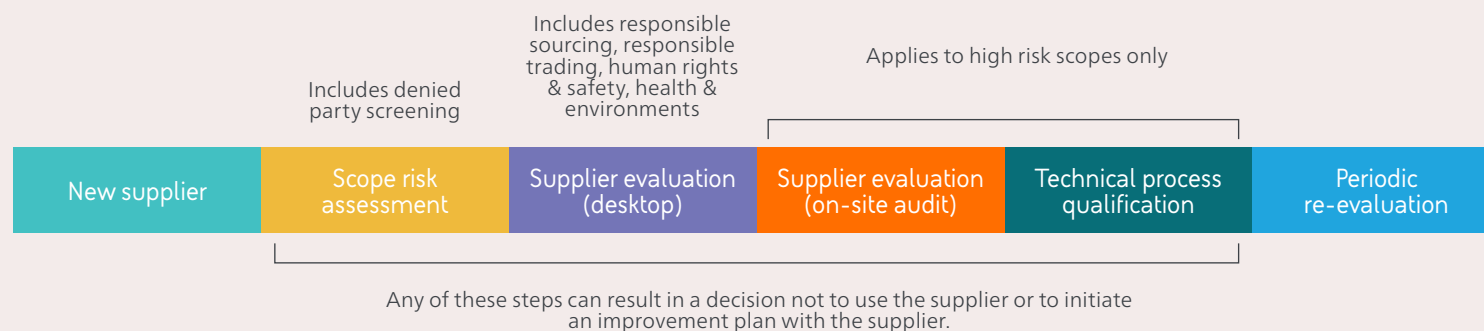
In recent years, BAE Systems Australia established the Supplier Readiness & Assurance Team within the Supply Chain function to support operational supplier oversight of direct suppliers.

This team undertakes supplier readiness assessments and engages on-site with a risk-based selection of suppliers to support quality and operational performance across the Supply Chain.

As part of these engagements, supplier governance and operational practices may be reviewed and suppliers may be asked to provide evidence relating to compliance with applicable labour laws, and policies addressing modern slavery and ethical employment practices, where appropriate. These activities provide additional visibility of supplier governance, labour and workplace practices as part of a broader supplier oversight, and proactive risk management.

Supplier due diligence process

We use the Dow Jones Supply Chain Compliance Toolkit as part of anti-corruption due diligence checks for both new and existing suppliers.





Responsible Supply Chain Shop Window – partnering with purpose

The global Responsible Supply Chain Shop Window was developed by BAE Systems plc several years ago, and helps define key responsible supply chain focus areas, including modern slavery and human rights considerations in alignment with broader sustainability and business priorities.

During 2025, BAE Systems Australia increased internal awareness of, and engagement with, the Shop Window across the Supply Chain function. The Shop Window was increasingly referenced during supplier engagement activities and helped inform the broader awareness and guidance initiatives outlined throughout this statement, supporting continued responsible supply chain practices across the business.





How can employees, suppliers and third parties raise concerns or report modern slavery?

We maintain a local network of Ethics Officers and offer a free independent Ethics Helpline.

An Ethics Officer can be an employee from any profession or functional role, who has elected to also be a frontline point-of-contact to receive and discuss ethics concerns.

Ethics Officers are given training, support, and resources to empower them to provide guidance and support with issue resolution. At the end of the reporting period there were 32 Ethics Officers in the Australian network.

The Ethics Helpline is available 24 hours a day, 7 days a week, and can be accessed via phone, email or an external website. It enables employees to confidentially seek support or report concerns, including those related to human rights or modern slavery. We encourage employees to speak up without fear of retribution, and provide the option to report anonymously, if preferred.

Although the Ethics Helpline is the primary reporting avenue for concerns relating to human rights and modern slavery, employees may raise concerns through other appropriate channels, including leaders, Human Resources, Employee Relations, Ethics or Legal functions.

Our Ethics Helpline is also available to external parties, including suppliers, to raise concerns or discuss issues. Callers can report concerns anonymously if preferred. Details on how to contact the Ethics Helpline are provided below and are also included within our Supplier Code of Conduct, and on our website.

If a call regarding human rights or modern slavery was received by our Ethics Helpline, the call would be escalated for review and allocated to a senior company representative for investigation. Our Ethics Helpline also includes specific human trafficking and slavery escalation procedures.



Ethics Helpline

☎ 1800 803 732

✉ ethics.helpline@baesystems.com

🌐 safecall.co.uk/baepc

What will the company do if modern slavery is identified within its supply chain?

If modern slavery or human trafficking were identified within our supply chain, we would immediately enact our Manage Supply Chain Incidents procedure. This procedure outlines a structured approach for reporting, triaging, containing and managing supply chain incidents. It ensures that concerns are escalated appropriately, key stakeholders are notified, and the incident is reviewed and addressed in coordination with relevant internal teams.

We would cooperate fully with relevant authorities and take all necessary steps available to us to remediate the issue, with the objective of eliminating the identified risk within our supply chain.

These steps may include revising internal policies and processes, conducting on-site or off-site audits and interviews, scoping corrective action plans with the supplier, and, where appropriate, terminating the relationship through a responsible exit strategy.

Training

Our global Code of Conduct sets out clear expectations relating to ethical conduct, and responsible business behaviour.

Our Code of Conduct is mandated for all employees and Directors of BAE Systems Australia and employees are required to complete annual integrity training aligned to the Code of Conduct.

In addition, targeted modern slavery awareness training is mandated for procurement professionals and is otherwise encouraged for professionals more broadly across the business. This training is delivered through online learning modules and supports awareness of modern slavery risks, reporting pathways and responsible supply chain practices.





Measuring the effectiveness of our actions

This table describes the approach we take to assessing the effectiveness of our actions. We are focused on continuous improvement of our response to tackling modern slavery.

We continue to review how the effectiveness of our due diligence processes can be assessed over time, including through consideration of how these processes support the identification and of modern slavery risks within our operations and supply chain and escalation of matters to appropriate channels.

	How do we measure the effectiveness of our actions?	Measure
Policy & Governance	We regularly review and assess the effectiveness of our policies and procedures as part of our global and local assurance, audit and risk frameworks. We complete internally mandated reporting, via the Operational Assurance Statement, to our Australian Management Board and global Executive Committee every six months to confirm compliance to global and Australian Operational Framework policies. We undertake second line assurance to confirm adherence to and understanding of supply chain processes, including supplier selection, on-boarding, and risk management. We undertake a quarterly Supply Chain Governance & Risk Review with senior supply chain and sustainability leaders to provide feedback on assurance activities and seek input of risks that require further investigation and/or mitigation.	> Timely closure and remediation of supplier audit or assessment actions, when required. > Number of non-compliances.
Supplier Management	Once a supplier has been approved and a contract has been executed, we continue to actively manage and monitor that supplier throughout the life of their contract, which may include desktop or on-site audits or assessments. This includes managing any significant changes in our relationship with the supplier as well as undertaking ongoing risk-based due diligence. Identified supplier non-financial risks are re-reviewed, depending on level of risk categorisation, via on-site audit, remote deep dive auditing activity or questionnaire, and progress against any mitigation actions or corrective action plans are monitored. If a supplier's level of risk increases, or gaps in performance are highlighted, performance improvement plans are put in place or enhanced.	> Number of suppliers assessed against due diligence requirements. > Number of suppliers assessed as high risk for modern slavery.
Training	We aim to assess the effectiveness of our training by obtaining stakeholder feedback.	> Percentage of employees who have completed training.
Ethics Helpline	Ethics calls are escalated for review and allocated to a senior company representative for investigation.	> Number of calls to our Ethics Helpline regarding modern slavery.