



Modern Slavery Policy

July 2021

1. Purpose

On 1 January 2019, the Modern Slavery Act 2018 (Cth) (**the Act**) commenced which requires certain business entities, such as EOS, to report on the risks of modern slavery in their operations and supply chains.

EOS is committed to operating responsibly and establishing and adhering to the highest ethical standards, including compliance with applicable laws and other obligations. This policy forms part of our ethical framework, with a goal of identifying and working with its supply chain to prevent and eradicate the various forms of slavery.

2. Modern slavery

EOS acknowledges that slavery can occur in many forms as detailed in the Act. This includes:

- human trafficking: the recruitment, harbouring, or movement of a person for the purpose of exploitation via slavery. This includes sexual exploitation, forced labour, servitude, or the removal of organs;
- slavery: the exercise of powers of ownership over the victim;
- servitude: significant restriction of personal freedom over the victim. In a workplace setting, this is commonly reflected by inability for the individual to stop working or leave the workplace;
- forced marriage: the use of threats, coercion, or other deception to make a victim marry, or marriage where the victim does not understand (or is incapable of understanding the nature and effect of a marriage ceremony);
- forced labour: restriction on the victim's ability to stop work or leave their place of work;
- debt bondage: pledge of a victim's services as security for a debt (and the debt is excessive or the victim's services are not used to liquidate the debt, or the length and nature of services required to liquidate the debt is unclear);
- child labour: exploitation of any kind of children through slavery or similar practices, engagement of children in unsafe or hazardous work, or use of children to produce or traffic illicit substances; and
- deceptive recruiting: use of deception in relation to whether the person will be exploited through a type of modern slavery.

3. Scope

This policy applies to:

- The Directors of Electro Optic Systems Holdings Limited ACN 092 708 364 (the **Company** or **EOS**) or its controlled entities (together, the **Group**);
- All employees and officers of Group; and
- Any contractor, consultant, supplier or other third party related to the Group.

4. Board Responsibility

The Board has principal responsibility for modern slavery reporting under the Act and is required to approve Modern Slavery Statements (**Statements**) which are to be compliant with the Act and signed by a director.

5. Role of Management

Management is responsible for designing and implementing a modern slavery framework and internal compliance and control systems, which identify and mitigate the key risks facing the Group.

Management must regularly monitor and evaluate the effectiveness of these controls, processes and risk plans. Management is also responsible for monitoring the performance of employees implementing such controls, including through operating or updating procedures created.

The Chief Operating Officer is responsible to ensure that an appropriate framework is created, adopted and managed by the Group and reported to, and approved by, the Board accordingly and as appropriate.

6. Modern Slavery Management Framework

The Group will establish a reportable modern slavery management framework. All EOS entities in the Group must consider, and where reasonably appropriate consider implementing, the following structures in their business models:

- Mapping the organisation's structure, businesses and supply chains;
- Formulating policies and procedures in relation to modern slavery – this will involve collating current policies, identifying gaps, adapting existing policies and formulating new policies, as needed;
- Conduct Risk assessments – identify those parts of the business operations and supply chains where there is increased risk of modern slavery taking place;
- Assess and manage identified risks – this may include carrying out further due diligence in the entity's operations and supply chains and reviewing and adapting contract terms and codes of conduct with suppliers;
- Consider and establish processes and KPIs to monitor the effectiveness of the steps taken to ensure that modern slavery is not taking place in the business or supply chains;
- Carry out remedial steps where modern slavery is identified;
- Develop training for staff on modern slavery risks and impacts;
- Establish appropriate reporting mechanisms for internal and external reporting; or
- Consider and, where appropriate, respond to any reasonable queries, concerns, or information suggesting elevated risks of modern slavery in accordance with this policy.

7. Fair Labour Practices

EOS is committed to treating all of our employees with respect and following the highest ethical labour standards, and creating a respectful and safe work environment for our employees globally.

EOS condemns and actively prohibits the use of modern slavery of any kind in our own business and our supply chain, including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting.

In the course of conducting our business, EOS takes reasonable steps to ascertain that our suppliers are not complicit in human rights and labour standard abuses. Were a supplier to be implicated in such abuses, EOS will take steps to rectify the situation as appropriate and as soon as possible.

Any person who applies for employment at EOS does so without undue pressure and all employees are legally entitled to leave upon reasonable notice without penalty. Offers of employment at EOS are always conditional upon the successful completion of a required background check. These background checks protect the safety of employees and ensure that employees meet the standards of EOS.

8. Reporting

In accordance with the Act, within 6 months of the end of their financial year, EOS must submit a Statement to the Minister for Home Affairs.

In accordance with the Act, The Company may make a joint modern slavery Statement on behalf of the Group (Joint Statement). In addition to complying with the general Statement requirements, any Joint Statement will be prepared in consultation all entities in the Group.

9. Statement contents

Each Statement will comply with the content requirements of the Act from time to time, tailored as appropriate to the relevant Group entities.

10. Response to reports of breach

All EOS employees, directors, and contractors must report any concerns of a breach of this Policy to EOS' Chief Compliance Officer (GM Compliance Assurance) as soon as reasonably practicable. The Compliance Officer will consider whether any such report requires further investigation.

In considering any further action required, the Compliance Officer may consider:

- further investigation of the allegation;
- escalation of the report;
- consultation with the reporting individual and any other relevant persons;
- the impact of any actions on the suspected victim/s;
- whether additional action is required to verify the effect of any actions;
- whether it is necessary to escalate the matter to law enforcement;
- the sensitivities of the situation;
- that EOS may not be aware of all victims involved, or the extent of any exploitation;
- the impact of ending any relationship with the affected entity.

11. Policy breaches

If a director, officer, employee or contractor is found to have breached this policy, he or she may face disciplinary action, including dismissal in serious cases. If a contracted company, contractor, sub-licensee or other related party breaches this policy, EOS will take immediate action to assess the breach and take all reasonable steps to prevent further breaches of the policy (and, where relevant, the Act).

12. Policy review

The Board will review this policy annually to ensure it remains relevant to the current needs of the Company and consider if any changes should be made. This policy may be amended from time to time by resolution of the Board.