



# **LEIDOS AIRBORNE SOLUTIONS AUSTRALIA**

## MODERN SLAVERY STATEMENT



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This statement covers the activities of Leidos SM Pty Ltd ACN 661 253 863, Leidos Airborne Solutions Australia Pty Limited ACN 003 469 574, Surveillance Australia Pty Ltd ACN 050 021 308 Leidos SAR Services Pty Ltd ACN 082 387 835 and Leidos NAS Pty Ltd ACN 062 415 392 (together for the purposes of this Statement 'Leidos Airborne Solutions') to understand and implement the actions to minimise the risk of modern slavery and human trafficking in our operations and supply chain for the financial year ended 31 December 2023.



# 1. INTRODUCTION

This joint statement constitutes the modern slavery statement for Leidos SM Pty Ltd, Leidos Airborne Solutions Australia Pty Ltd as well as all fully owned entities within Australia, being Leidos SAR Services Pty Ltd (SAR), Leidos NAS Pty Ltd (NAS) & Surveillance Australia Pty Ltd (SAPL) (together “Leidos Airborne Solutions”) for the calendar year 1 January 2023 – 31 December 2023.

Leidos Airborne Solutions is a member of the Leidos Group headquartered in the USA.

Leidos is a global leader in the integration and application of information technology, engineering, and science to solve our customers’ most demanding challenges. Everything Leidos does is built on a commitment to do the right thing for our customers, our people, and our community.

We condemn human rights abuses and will adhere to the principles of the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We have a responsibility to respect human rights in the operation of our business, and we adhere to the UN framework to protect and respect human rights and to remedy human rights abuses.

We also expect everyone with whom we conduct business to observe similar standards respecting human rights.

# 2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN

## STRUCTURE

Leidos Airborne Solutions Australia Pty Limited ACN 003 469 574 is a limited liability company registered in South Australia. Its ultimate parent is Leidos Holdings Inc. (NYSE:LDOS).

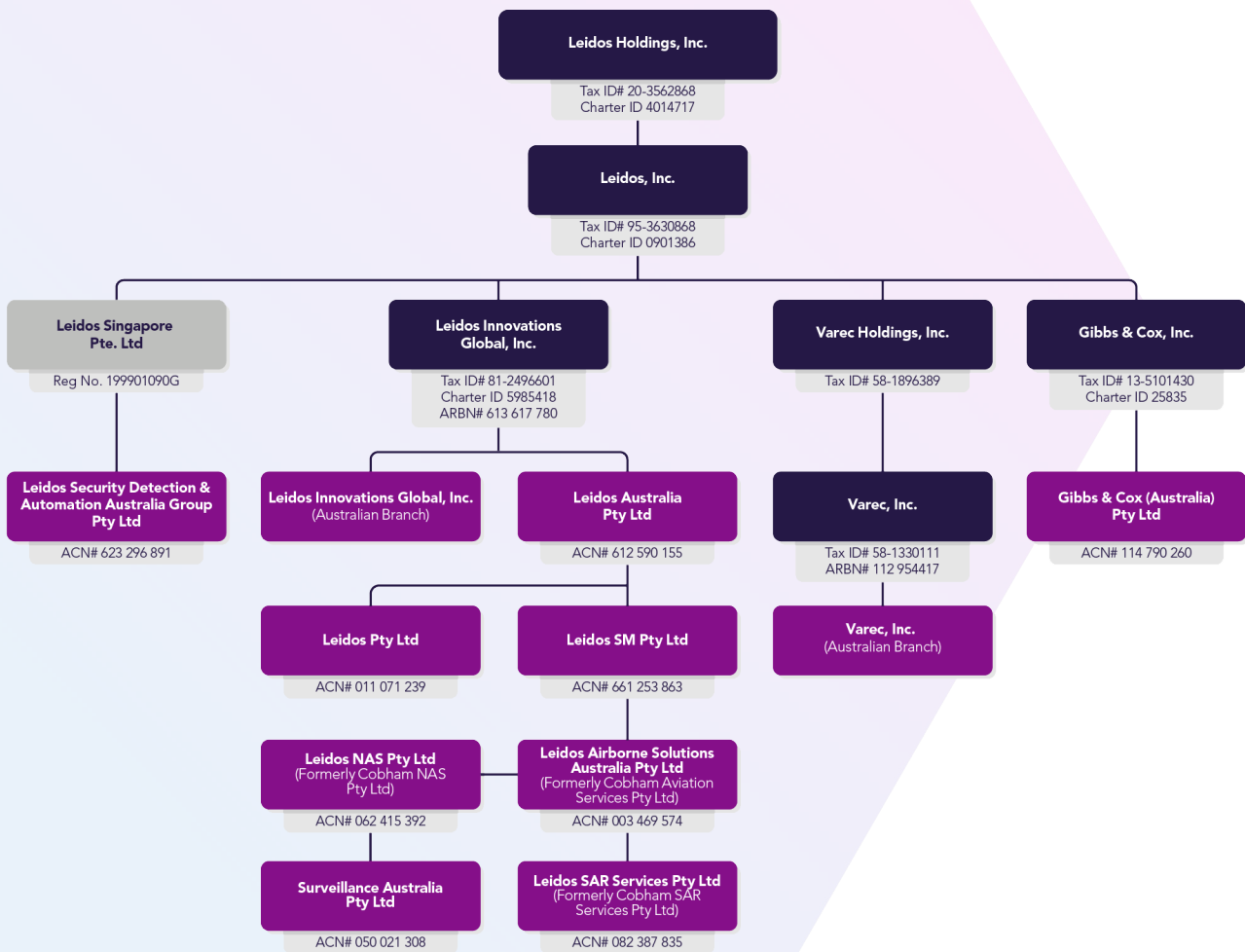
Leidos SM Pty Ltd is the holding company for the Leidos Airborne Solutions group and the sole shareholder of Leidos Airborne Solutions Australia Pty Limited. Leidos Airborne Solutions Australia Pty Limited is the parent entity of Surveillance Australia Pty Ltd ACN 050 021 308, Leidos SAR Services Pty Ltd ACN 082 387 835 and Leidos NAS Pty Ltd ACN 062 415 392.

The five entities that comprise Leidos Airborne Solutions operate as one consolidated group and are managed by a single executive management team. Leidos Airborne Solutions now comprises the Airborne line of business within Leidos Australia.



Leidos Airborne Solutions was acquired by the Leidos group on 1 November 2022 and was integrated into Leidos Australia during the course of 2023. Accordingly, a separate Modern Slavery Statement will be lodged for the Leidos Airborne Solutions Operations for the 2023 Financial Year.

## Australian Entities Corporate Structure (1 March 2023)



## OPERATIONS

Headquartered in Adelaide, Leidos Airborne Solutions has a national footprint, operating out of metropolitan centres and regional bases and employing approximately 400 people across Australia. Leidos Airborne Solutions is a major provider of contract aviation services in Australia.



Leidos Airborne Solutions' capabilities include airborne intelligence, surveillance and reconnaissance, search and rescue operations, mission aircrew training, modifications, sensor integration and Mission Management system development.

Surveillance Australia Pty Ltd provides fixed wing border surveillance services under contract with the Australian Border Force (ABF). From bases in Broome, Darwin and Cairns, Leidos Airborne Solutions patrols Australia's 8.2 million square kilometre Exclusive Economic Zone, which deems SAPL the largest outsourced civil maritime surveillance operation in the world. This is carried out by a fully owned fleet of 10 highly modified DeHavilland Dash 8 aircraft, flying 15,000 hours and 2,500 missions per year. These aircraft are fitted with new generation surveillance sensors and fully integrated advanced satellite systems.

Leidos SAR Services Pty Ltd is contracted by the Australian Maritime Safety Authority (AMSA) to initiate recovery missions by locating missing people in distress and delivering life-saving equipment such as life rafts, satellite phones and food. The fleet is made up of four Bombardier Challenger CL-604 Jets, stationed at bases in Perth, Melbourne and Cairns.

As well as the above work that Leidos Airborne Solutions performs for government agencies, Leidos Airborne Solutions' engineering functions also support the line and base maintenance of its aircraft fleet in various locations around Australia.

## **SUPPLY CHAIN**

In 2023, Leidos Airborne Solutions engaged 582 suppliers with a total spend of approximately AUD \$111M, comprising AUD\$60M on direct suppliers and the balance on indirect suppliers. Over 75 per cent of our suppliers were located within Australia, with the next biggest supplier locations being the United States and Canada. Australia, Canada and the United States have a low inherent modern slavery risk.

Our Supply chain comprises:

- Aircraft parts, components and tooling;
- Engineering supplies; and
- Goods and services to support our corporate operations – typically the supply of office accommodation, utilities, IS hardware and software, cleaning, catering and stationery suppliers

Of the top 20 suppliers based on expenditure in 2023, 14 had filed modern slavery statements.



## 3. RISK OF MODERN SLAVERY PRACTICES

### **OPERATIONS**

Leidos Airborne Solutions considers the risk for modern slavery to exist within our workforce as being very low. The nature of Leidos Airborne Solutions' work requires an Australian-based workforce.

The majority of employees are pilots, observers or engineering specialists supporting mission delivery. All corporate functions (e.g. HR, IT, Finance and Commercial & Procurement) are delivered using Australian-based personnel with some finance and IT support provided by our parent company using US-based personnel.

Due to the nature of the services, all of our personnel must be Australian citizens or permanent residents. Around 145 team members are defence and government cleared.

### **SUPPLY CHAIN**

Leidos Airborne Solutions considered the location of suppliers, the nature of the services provided and suppliers' reliance on third parties located outside of Australia to supply products or services when assessing the risk of modern slavery being present within our supply chain.

We found that the highest risk of modern slavery existing within our supply chain to be in the procurement of products (including uniforms, PPE equipment and paper-based consumables) sourced and manufactured outside Australia.

We have undertaken a mapping exercise to better understand the location of our supply chain by region and by nature of product/services to be provided.

Leidos Airborne Solutions Australia expended AUD\$111 Million on 580 suppliers in 2023 based in the following regions:

- Australia 446
- USA 79
- Europe 24
- Canada 21
- Asia-Pacific 10

The largest portion of our expenditure in 2023 was on suppliers who provided aircraft equipment. These suppliers are mainly located in the U.S.A and Canada and consequently we consider the risk of modern slavery associated with this component of our supply chain to be low.

Leidos Airborne Solutions has not yet identified any specific instances of modern slavery within our supply chain.



## 4. RISK ASSESSMENT

Leidos Airborne Solutions conducted a risk assessment of its operations and identified the suppliers supporting each of its business divisions and corporate operations. This was undertaken via consultation with the commercial and procurement team responsible for supplier engagement.

The assessment considered risk factors such as the sector, types of products and services supplied and the geographic location of providers, and applied a risk matrix developed by Leidos' International Regulatory Compliance team and contained in Leidos' Compliance Plan for the Prevention of Human Trafficking.

### **DUE DILIGENCE**

Leidos Airborne Solutions has adopted the Leidos Australia supplier due diligence framework. This process maps and categorises supplier spend with the objective of:

- a) Enabling Supply Chain Mapping, identify Tier 1, 2 & 3 suppliers;
- b) Segmenting the supply chain by category type;
- c) Identifying suppliers supporting Leidos Projects ("direct suppliers") and suppliers supporting Leidos' corporate requirements ("indirect suppliers");
- d) Managing risk – spend, nature of service, project supported; and
- e) Confirming supplier appropriateness for Supplier Relationship Management & Supply Chain Risk review to include key criteria such as Modern Slavery

This included a due diligence questionnaire being applied to a cross-section of Leidos suppliers selected on a risk-assessed basis. If non-compliances or weaknesses are identified, they will be flagged and a decision will be made by the responsible line of business lead and the Commercial and Procurement team as to whether to proceed with engagement and what mitigations/additional requirements must be included in the engagement.

No issues concerning modern slavery were identified.

### **CONTRACT TERMS**

Our terms and conditions require suppliers to act in accordance with applicable laws and our Code of Conduct, and to report any breaches of either. We have strengthened our terms to include specific provisions concerning modern slavery.



## **POLICIES AND PROCEDURES**

Leidos Airborne Solutions is committed to legal compliance and ethical business practices in all of its operations worldwide and this includes improving practices to combat slavery and human trafficking.

Leidos Airborne Solutions is governed by the following corporate policies which address modern slavery risks:

- Policy LP-LG-1 – Standards of Business Ethics and Conduct;
- Code of Conduct;
- Human Trafficking Statement; and
- Leidos' Compliance Plan for the Prevention of Human Trafficking.

Any breach of Policy LP-LG-1 or the Conduct of Conduct is taken seriously and if proven may result in disciplinary action up to and including termination.

## **REPORTING CHANNELS**

Leidos personnel are encouraged to report concerns or breaches of company policies.

Multiple reporting channels are available for personnel to report concerns. Concerns can be raised with the Chief Ethics and Compliance Officer, the Australian Ethics Officer, members of Human Resources as well as the Executive leadership team.

An independent hotline and reporting service is in operation to facilitate the reporting of concerns, and is available to personnel and members of the public to report concerns on an identified or an anonymous basis.

Leidos Airborne Solutions has adopted the Leidos Australia Whistleblower Policy, which is available externally at [www.leidos.com/privacy/leidos-australia-whistleblower-policy](http://www.leidos.com/privacy/leidos-australia-whistleblower-policy).

The Whistleblower Policy outlines reporting channels for concerns and provides links to both the independent hotline as well as to the Australian Ethics Officer.

## **TRAINING**

All new personnel receive training on their obligations under the Code of Conduct and other policies and procedure on commencement and are required to complete refresher training annually.

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chain or in any part of our business, we have provided training to our commercial and procurement teams who have direct responsibility for procurement.





## 5. NEXT STEPS

In 2024, Leidos is committed to:

- Risk assessment (reassessment) of our supplier base;
- Implement OneTrust as our centralized supplier due diligence system; and
- Integrating Airborne to the Leidos supplier due diligence framework.

## EFFECTIVENESS OF ACTIONS

Our focus to date has been on developing an understanding of where modern slavery risks may exist in our supply chain and implementing a due diligence framework.

Leidos Airborne Solutions has a number of systems and processes to monitor compliance with policies and procedures. Additionally, Leidos has established systems to receive, track, investigate and report on notifications of grievances and concerns from both Leidos personnel and external parties. All notifications are captured in a central reporting tool and are reported to both Leidos Australia and the board of Leidos Holdings Inc.

To measure the effectiveness of our modern slavery approach we plan a review of our policies & processes including tracking of:

- The number of modern slavery concerns reported;
- The number of suppliers who have completed the modern slavery element of our due diligence questionnaire;
- The number of suppliers surveyed who have their own modern slavery policies; and
- The number of supplier contracts which contain modern slavery clauses.

## CONSULTATION WITH CONTROLLED ENTITIES

Leidos Airborne Solutions operates as an integrated business unit managed by a common executive leadership team.

This statement is approved by the boards of Leidos SM Pty Ltd, Leidos Airborne Solutions Australia Pty Limited, Surveillance Australia Leidos SAR Services Pty Ltd and Leidos NAS Pty Ltd.

**James Woodhams**

Vice President Leidos Airborne Solutions Australia

