

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR THE ESUK GROUP YEAR ENDING 31 DECEMBER 2023

This statement is issued on behalf of the board of directors of **Elbit Systems UK Limited** (“**ESUK**”) pursuant to section 54 of the Modern Slavery Act 2015 (the “**MSA 2015**”). It constitutes ESUK’s statement for the financial year ending 31 December 2023 and is also made on behalf of each of the subsidiary companies of ESUK¹ (altogether the “**ESUK Group**”). The position of ESUK in respect of Modern Slavery and Human Trafficking has been formulated by the board of directors as stated below:

“The ESUK Group takes a zero-tolerance approach to all forms of slavery and human trafficking. We are committed to complying with the principles and provisions of the Modern Slavery Act 2015, and promoting high ethical standards to our suppliers and partners in the way they conduct themselves and their businesses.”

- Martin Fausset, CEO, Elbit Systems UK Limited

ESUK GROUP ACROSS THE UK

ESUK and the companies within the ESUK Group are part of the Elbit Systems worldwide organisation of companies. We are engaged in the design, development, manufacture, sale and support of a wide range of high technology systems and products, and the performance of projects, for defence, homeland security and various commercial applications. Our customers include governmental agencies and leading industries both in the UK and around the world. The ESUK Group consists of offices as well as engineering and manufacturing facilities at sites across the UK, and together with our joint venture companies, we support our customers from their locations. The ESUK Group now employs over 600 people in a range of high tech and specialist manufacturing activities, and we have invested significant capital in local infrastructure to support our business.

It is therefore essential that we comply with the MSA 2015, and are seen to comply with this important legislation, by our customers, suppliers and stakeholders within the local communities.

ESUK GROUP POLICIES ON ANTI-SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no Modern Slavery or Human Trafficking in our supply chains or in any part of our business, and we have therefore implemented the appropriate policies to control how we work within our business:

¹ This includes the wholly owned subsidiaries in the ESUK Group: (1) UAV Engines Limited; (2) ESUK Aerospace and Simulation Limited; (3) ESUK Aerospace and Simulation (Holdings) Limited; (4) ESUK Aerospace and Simulation (Group) Limited; and (5) Instron Precision Limited. It does not include the joint venture companies in which ESUK participates.

- **Anti-Slavery Policy.** We have adopted an ESUK Group Anti-Slavery and Human Trafficking Policy (the “**Anti-Slavery Policy**”), which is part of our Supplier Code of Conduct, and which is available [here](#)².
- **Code of Business Conduct & Ethics.** We also have a Code of Business Conduct & Ethics that sets out the critical importance of conducting business ethically, and which includes sections on **Honest and Ethical Conduct**; **Human Rights and Fair Labour Practices**; and **Reporting Illegal or Unethical Behaviour**; to name some of the key applicable sections for the purposes of this statement. Our Code of Conduct & Business Ethics is available [here](#).
- **Elbit Systems Group Policy.** Our parent company, Elbit Systems Limited (“**ESL**”), is listed on the US NASDAQ stock exchange, and also sets standards for the ESUK Group to meet. ESL recognises the human rights principles of International Labor Organization (ILO) Conventions, and is committed to preventing child labour, human trafficking, forced or indentured labour and modern slavery. A copy of the Human Rights Statement issued by the ESL board of directors is also available [here](#).

ESUK flows the ESUK Group Policies down to each of the subsidiary companies within the ESUK Group in order that they can be made fully available to all of their respective staff.

APPLICATION OF ESUK GROUP POLICIES BY ESUK

The board of directors of ESUK recognises that it is not sufficient to simply have in place the correct ESUK Group policies if ESUK is to successfully combat Modern Slavery. It must also ensure that the employees, contractors and suppliers of ESUK are made aware of the policies, and that they are adhered to. In order to achieve this, ESUK adopts the following actions to ensure the appropriate policies are implemented:

1. **Supplier Due Diligence (Screening).** We conduct supplier due diligence on the providers of products and services to ESUK Group in an attempt to identify any areas of risk where further diligence or investigations are required:
 - **JOSCAR.** ESUK is a member of **JOSCAR (Joint Supply Chain Accreditation Register)** that acts as a pre-qualification and compliance database for the defence aerospace sector to provide accreditation on whether a supplier is fit for business. As part of our due diligence, we check the JOSCAR database to ensure nothing is registered against the potential supplier before we contract with them.
 - **New Screening Software.** During **2023** ESUK commenced the initial steps to begin to introduce a **new third-party software package** intended for use across the ESUK Group, so the ESUK Group may obtain detailed information on all potential suppliers to see if there are any concerns reported in the media or whether there are prosecutions that have been made against those suppliers for breaches of Modern Slavery and Human Trafficking, or other human rights infringements. In addition, we

² **Note** – there is an ESUK objective to review and improve this policy during 2024/2025 - please see the ‘Objectives 2024/2025’ section at the end of this statement.

intend for the chosen software package to include additional ‘red flag’ indicators, that we may take into account when assessing suppliers, so a more informed decision may be taken on whether the supplier meets the high standards required by ESUK. It is intended to complete the procurement of a software package for ESUK and the ESUK Group during 2024/2025.

2. **Provisions in Supplier Contracts.** ESUK includes, and requests that each member of the ESUK Group includes, contractual provisions prohibiting Modern Slavery, Human Trafficking and Child Labour into our supplier contracts for goods and services. These provisions allow the termination of contracts in the event that supplier is found to have materially breached these provisions, and has taken no steps to remedy such breach. ESUK also requests that suppliers comply with all applicable laws, that will include the application of the MSA 2015 and an adherence to our Code of Business and Ethics³.
3. **Customer Contracts.** Where practicable, we negotiate the inclusion of Modern Slavery and Human Trafficking provisions into our customer contracts. In addition, we request customers to comply with all applicable laws. ESUK Group does have contracts with the UK Ministry of Defence (“UK MoD”), and contracts that are flowed down from contractors with the UK MoD and other UK Government Agencies, so Modern Slavery and Human Trafficking issues in this context are less likely to be of a material concern.
4. **Continual Monitoring of Risks in the Supply Chain.** We take regularly steps to monitor our supply chain to ensure that no new issues emerge. As mentioned above, the new third-party *Screening Software* planned, will also alert ESUK and the ESUK Group to any changes in the status of a supplier from a Modern Slavery and Human Trafficking perspective by providing an electronic notification to the stakeholder relevant teams. This will further enhance our ability to continually monitor issues connected to Modern Slavery and Human Trafficking.
5. **Training of Employees.** To ensure a high level of understanding of the risks of Modern Slavery and Human Trafficking, we provide training to our staff. This training consists of:
 - (a) Induction Training. Each new employee or contractor that joins the ESUK, will be requested to go through induction training which raises the issues connected with Modern Slavery and Human Trafficking. This training is a third-party platform provided through ESUK’s IT System, and each member of staff is required to complete the Induction Training during their probation or review period(s) or it is addressed through the appraisal process with their respective line manager.
 - (b) In-House Seminars. These are provided from time to time by the ESUK Legal Team and ESL Legal Teams to ESUK and the ESUK Group to raise awareness of the issue of Modern Slavery, Human Trafficking and Child Labor within the business. This takes a workshop format involving presentations to those parts of the business likely to be

³ **Note** – there is an ESUK objective to review and improve these provisions during 2024/2025 - please see the ‘Objectives 2024/2025’ section at the end of this statement.

connected with the issue of Modern Slavery, and includes a presentation to these key teams together with problem solving scenarios to work through in teams.

- (c) Visibility of Policies. For ESUK, the ESUK Group Policies are accessible internally on the *ESUK Legal - Business Management System (BMS)* intranet site. In addition, we request that each subsidiary within the ESUK Group makes these available to its staff internally. Furthermore, the Anti-Slavery Policy and the Code of Business Conduct and Ethics is available on the ESUK external website at the links provided in this statement. On this basis, the current policies of the ESUK Group should always be available to all staff.
- (d) Protection of Whistleblowers. ESUK ensures that whistleblowers in ESUK and the ESUK Group are protected through the ESUK Whistleblower and Investigation Procedure that is available [here](#). In addition, the Training Section mentioned above, makes it clear that whistle blowers will be treated in confidence and that reporting through the Whistleblowing Policy is encouraged by the ESUK Group.

HANDLING AND INVESTIGATING MODERN SLAVERY AND HUMAN TRAFFICKING VIOLATIONS

We maintain that, given the position of the companies within the ESUK Group within the manufacturing process, the risk of detecting a violation is assessed to be **low**. As at the date of this Modern Slavery Statement, we have not been required to take any action in connection with Modern Slavery and Human Trafficking violations. This is because no infringements of the MSA 2015 or similar legislation has been identified by the ESUK Group. Instead, our focus has been on improving the due diligence that we undertake on our suppliers, for example by introducing new software, to ensure that we have a sufficient awareness of our supply chains.

Multi-Disciplinary Investigation

In the event that a violation is detected, then an investigation will be conducted by a multi-disciplinary team within ESUK, consisting of representatives from:

- (i) ESUK Legal Team;
- (ii) ESUK Trade Compliance Team;
- (iii) ESUK Commercial Team (or other relevant stakeholder involved with the purchasing function).

Where an ESUK Group has already contracted with a supplier who is found to be in breach of the Anti-Slavery Policy or of the contractual provision, then the supplier shall be immediately requested to undertake remedial action, and in the breach is not remedied, termination of the relevant contract may be enacted.

Record of Violations

A record shall also be kept of any violation that occurs in connection with Modern Slavery and Human Trafficking, and this will be logged with the ESUK General Counsel and made accessible to the ESUK Procurement Team. This record may preclude the supplier from obtaining further contracts from the ESUK Group if it cannot demonstrate a material change to the way it implements the spirit of the MSA 2015 within its business.

OBJECTIVES FOR 2024 / 2025

We recognise that the ESUK Group needs to continually enhance its strategic approach in relation to Modern Slavery and Human Trafficking. We have therefore set out the below objectives to be completed in **2024/2025**:

No.	Objective	Detail
1	New Screening Software	As mentioned in this Modern Slavery Statement, it is intended to introduce the New Screening Software in 2024 / 2025 to greatly enhance the information available to us about our suppliers, and to allow for this information to be continually updated.
2	Modern Slavery - Annual E-Learning Modules	It is intended to arrange annual E-Learning Modules for Modern Slavery to increase awareness about Modern Slavery within the ESUK Group. Each module will have a short test at the end, which will need to be passed, and a record can be saved to the system.
3	Anti-Slavery Policy Review / Alignment with ESL Group	The ESUK Anti-Slavery Policy is now over 4 years old. A legal review needs to be carried out of this policy bring it up to date. We are also working with our parent company <i>Elbit Systems Limited</i> to see if policies that are being aligned across the Elbit Group may give a more consistent approach to our customers and suppliers.
4	Contractual Provisions Review	Review the standard contractual provisions used by the ESUK Group to flow down Anti-Slavery obligations to suppliers, with a view to improving the clarity and legal effect of such provisions.
5	Establishment of ESUK Ethics Committee	Establish an Ethics Committee to ensure that appropriate proposals are made to ESUK Management to improve the overall Business Conduct and Ethics approach of ESUK (including the approach to Modern Slavery).

ESUK GROUP'S MODERN SLAVERY STATEMENT 31 DECEMBER 2023

This statement is made pursuant to section 54(1) of the MSA 2015 and constitutes Elbit Systems UK Limited's Modern Slavery and Human Trafficking Statement for the financial year ending **31 December 2023**.



 Martin Fausset
 Chief Executive Officer
 For and on behalf of the Board of
ELBIT SYSTEMS UK LIMITED