## Thales

## Overview

Thales is a French public limited company whose two main shareholders are the French government and Dassault Aviation.<sup>1</sup> Thales is a giant in the defence industry, with more than 81,000 employees across five continents.<sup>2</sup> It provides products and services in defence, digital identity and aerospace markets. In the first half of 2024, Thales reported "record orders due to steadily increasing military budgets."<sup>3</sup>

#### Revenue in 2023

Revenue (2023)	Sales	€18.4 billion
	Orders	€23.1 billion

Source: https://www.thalesgroup.com/en/group/investors/press\_release/thales-reports-its-2023-full-year-results

Thales is the leading supplier of C4ISTAR systems to NATO. Its products are used across land, air and naval forces, and include armoured vehicles (including Bushmaster Protected Mobility Vehicles), assault rifles (F90 and F90MBR), munitions and combat and surveillance systems. Over 500 warships are currently equipped with Thales products and systems. Additionally, Thales produces a range of Unmanned Aerial Vehicles (UAV) and Unmanned Ground Vehicles (UGV). Utilising AI, it is currently developing 'SwarmMaster', a program designed to operate drones in swarms on the battlefield.<sup>4</sup>

In 2022, human rights groups filed a lawsuit against three French weapon companies – Thales, Dassault Aviation and MBDA France – at a Paris court, alleging complicity in war crimes committed in Yemen.<sup>5</sup> According to the European Centre for Constitutional and Human Rights, "attacks on residential buildings, markets and hospitals – which are enabled by weapons exports to the military coalition led by Saudi Arabia and the United Arab Emirates – make French arms companies potentially complicit in war crimes against civilians in Yemen."<sup>6</sup>

## Connection to Elbit Systems

UAV Tactical Systems Ltd (U-TacS) is jointly owned by Elbit System UK Ltd and Thales UK Ltd.<sup>7</sup> The Watchkeeper X Tactical Unmanned Aerial Systems (UAS) is produced by U-TacS; in

<sup>&</sup>lt;sup>1</sup> <u>https://www.thalesgroup.com/en/global/corporate-responsibility/governance/corporate-governance</u>

<sup>&</sup>lt;sup>2</sup> <u>https://www.thalesgroup.com/en/global/group</u>

<sup>&</sup>lt;sup>3</sup> <u>https://www.euronews.com/business/2024/07/23/french-defence-company-thales-sees-orders-soar-to-record-levels</u>

<sup>&</sup>lt;sup>4</sup> <u>https://www.thalesgroup.com/en/markets/defence-and-security/land-forces/robotics-drones</u>

<sup>&</sup>lt;sup>5</sup> <u>https://www.france24.com/en/middle-east/20220602-rights-groups-allege-french-arms-makers-complicit-in-yemen-war-crimes</u>

<sup>&</sup>lt;sup>6</sup> <u>https://www.ecchr.eu/en/case/yemen-arms-exports-france/</u>

<sup>&</sup>lt;sup>7</sup> <u>https://find-and-update.company-information.service.gov.uk/company/05241592/persons-with-significant-control</u>

June 2023, Elbit Systems awarded an \$180 million purchase order to supply three Watchkeepers to the Romanian Ministry of National Defense.<sup>8</sup>

## **Thales in Australia**

Thales Australia is a subsidiary of Thales Group. It has generated "\$1.6 billion in exports over the past 10 years", including exporting Bushmasters to eight countries (Indonesia, Netherlands, Fiji, United Kingdom, New Zealand, Jamaica, Japan and Ukraine).<sup>9</sup>

In 2006 Thales acquired Australian Defence Industries, a major manufacturer of military equipment such as smokeless gunpowder and the Bushmaster IMV.

In February 2018, Thales won on a A\$1.2 billion (\$946 million) contract with Airservices Australia and the Australian Department of Defence to unify Australia's civil and military airspace under a single air traffic control system, named "OneSKY".[26]

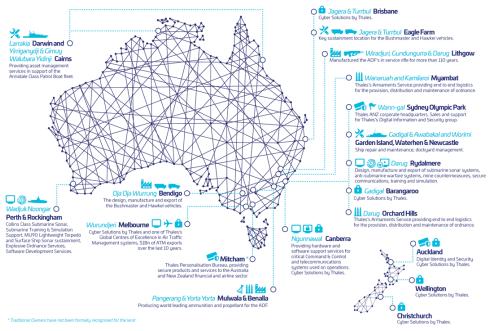
In 2023, Australia committed \$160m to build 79 new Bushmasters, while the Minister for Defence Industry Pat Conroy suggested that the Bushmasters could be fitted with missiles to strike naval targets.<sup>10</sup>

Thales has 35 sites across Australia, including Bendigo (design, manufacture and export of Bushmaster and Hawkei vehicles); Eagle Farm (sustainment location for Bushmaster and Hawkei vehicles); Mulwala and Benalla (production of ammunition and propellant); Lithgow (manufacture of rifles); Canberra (hardware and software for Command and Control and telecommunications systems); and Perth and Rockingham (Collins Class Submarine Sonar, MU90 Lightweight Torpedo, Explosive Ordnance Services, etc.). See map below for more locations and detail.

<sup>&</sup>lt;sup>8</sup> <u>https://elbitsystems.com/pr-new/elbit-systems-awarded-180-million-purchase-order-under-framework-agreement-to-supply-first-three-watchkeeper-x-tactical-uas-to-the-romanian-ministry-of-national-defense/</u>

<sup>&</sup>lt;sup>9</sup> <u>https://www.thalesgroup.com/en/asia-pacific/australia/investing-australian-capability#australiandefenceindustryspending</u>

<sup>&</sup>lt;sup>10</sup> <u>https://www.abc.net.au/news/2023-05-17/bushmaster-defence-thales-australian-army-bendigo-hawkei-ukraine/102355532</u>



Source: https://www.thalesgroup.com/en/asia-pacific/australia/about-thales-australia

#### Thales Australia and the occupation of West Papua

Australia exports weapons and provides military training to Indonesia, despite violence and human rights abuses against West Papuans by the Indonesian military. In 2020, an independent report by UN experts highlighted "allegations of use of excessive force, torture and killings against indigenous Papuans by the police or military".<sup>11</sup> In 2014, Thales Australia sold three Bushmaster PMVs to Kopassus, Indonesia's elite forces.<sup>12</sup> Thales also supplies "combat management systems for all major warships in the [Indonesian] Navy's fleet."<sup>13</sup>

Australia Board of Directors and Management<sup>14</sup>

#### Board of Directors

Duncan Lewis AO DSC CSC - Board Chair, Non-Executive Director Stephen Loosley AM - Deputy Chairman, Non-Executive Director Jeff Connolly - Chief Executive Officer Chris Jenkins - Non-Executive Director Belinda Hutchinson AC - Non-Executive Director Alex Cresswell - Chief Executive and Chairman Thales UK Warwick Strachan - Chief Financial Officer James Couche - Vice President, Legal & Contracts

#### Management

Jeff Connolly - Country Director & Chief Executive Officer

<sup>&</sup>lt;sup>11</sup> <u>https://spcommreports.ohchr.org/TMResultsBase/DownLoadPublicCommunicationFile?gld=25322</u>

<sup>&</sup>lt;sup>12</sup> <u>https://www.aljazeera.com/news/2022/10/19/australia-to-continue-indonesia-military-cooperation</u>

<sup>&</sup>lt;sup>13</sup> <u>https://www.thalesgroup.com/en/countries/asia-pacific/thales-indonesia#solutions-5474</u>

<sup>&</sup>lt;sup>14</sup> <u>https://www.thalesgroup.com/en/asia-pacific/australia/board-directors-and-management-team</u>

Julie Bown - Vice President, Land Philippe Bernard-Flattot - Vice President, Airspace Mobility Solutions Max Kufner - Vice President, Above Water Systems Troy Stephen - Vice President, UWS, SIX and AVS Warwick Strachan - Chief Financial Officer Philippe Chamoret - Chief Operating Officer James Couche - Vice President, Legal & Contracts Ronán Carolan - Vice President, Human Resources Ross Lederhose - Vice President, Sales and Key Account Management John Best - Chief Technical Officer Brad Crockett - Vice President, Health, Safety & Environment Andrew Downes - Vice President Strategy & Communications

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### News

In June-July 2024, Crikey published 'Up in Arms', a series of articles examining dodgy Defence contracts with Thales.<sup>15</sup> Links to articles in this series below:

- 1. Defence still rewarding Thales and Israeli firm that supplied arms used in Frankcom murder
- 2. Richard Marles takes on reality, comes off second-best in growing Thales scandal
- 3. Defence-Thales scandal heads for corruption watchdog. But a bigger inquiry is needed
- 4. The Defence-Thales scandal is a preview of a future incompetently made in Australia
- 5. Champagne comedy: Defence and its Thales mates treat taxpayers like mugs

Corruption relating to the Department of Defence and Thales is also covered in this ABC article:

**"Defence refers \$1bn Thales defence contract to national corruption watchdog"** 27 June 2024, ABC

<sup>&</sup>lt;sup>15</sup> <u>https://www.crikey.com.au/topic/up-in-arms-thales-defence-contracts/</u>

"The Defence Department has asked the National Anti-Corruption Commission to investigate the awarding of a \$1.2 billion contract to a French-owned weapons company after the auditor-general found evidence of "unethical conduct"." Source: <u>https://www.abc.net.au/news/2024-06-27/defence-refers-1bn-defence-contract-to-nacc/104030942</u>

Beyond Australia, Thales is also being investigated for corruption in other countries; most recently, in France, the Netherlands and Spain. In 2023, Thales faced a bribery probe in relation to a contract with the Indian Air Force. See articles below.

# **"Thales offices in three countries searched in corruption investigation"** 29 June 2024, France24

"Police in three countries searched the offices of French defence company Thales this week over suspected corruption involving arms sales abroad, notably to Brazil, a judicial source said Saturday."

Source: <u>https://www.france24.com/en/europe/20240629-thales-offices-in-three-countries-searched-in-corruption-investigation</u>

#### "Thales Faces French Corruption Probe Over India Mirage Contract"

5 May 2023, Bloomberg

"Defense company Thales SA faces a bribery probe by French prosecutors into a \$2.5 billion contract it won to modernize the Indian Air Force's fleet of Dassault Mirage 2000 planes."

Source: <u>https://www.bloomberg.com/news/articles/2023-05-05/thales-faces-french-corruption-probe-over-india-mirage-contract</u>