



ESG REPORTING 2022
FACTBOOK

Version 2.0 | November 2022

CONTENTS

07

PERFORMANCE

- 08 Share Indicators
- 10 Business Indicators
- 13 Finance Indicators
- 14 Technology and Innovation Indicators
- 15 Risk Indicators

19

PEOPLE

- 20 Employee Indicators
- 34 Social Indicators

43

PLANET

- 44 Environmental Indicators
- 54 Biodiversity Indicators

63

GOVERNANCE

- 64 Structure Rheinmetall Group
- 65 Supervisory Board
- 72 Executive Board
- 74 Compliance
- 77 Export Control
- 82 Offset
- 83 Auditors

85

FRAMEWORKS

- 86 NFS | Non-Financial Statement
- 87 EU taxonomy
- 91 GRI | Global Reporting Initiative
- 106 UNGC | UN Global Compact
- 108 TCFD | Task Force on Climate-related Financial Disclosures
CDP
- 109 SASB | Sustainability Accounting Standards Board

113

RATINGS

For more than 130 years, we have been taking responsibility: for our employees and products, for the environment and society. And we do so every day.

Founded in 1889, our technology company operates internationally. We are committed to fair competition as well as legal, socially and ethically responsible business practices. Sustainable management in alignment with the environment is an integral part of our business and production processes and serves to secure the company's long-term future. In addition to continuity, economic growth and compliance with the principles of good corporate governance, the responsible and careful use of natural resources is part of our self-image and corporate culture.

Our world is changing rapidly in technical, economic, political and cultural terms. We live more globally, more connected and more digital than ever before, and we are constantly faced with new challenges that need to be mastered. For us at Rheinmetall, however, one thing is certain: mobility and security are and remain basic human needs.

As a major supplier to the automotive industry, the civil sector is contributing that people all over the world reach their destinations in a more environmentally friendly way. In addition to the continuous improvement of products for conventional drive systems, Rheinmetall concentrates on the development of systems for vehicles with hybrid, battery and fuel cell drive systems. With solutions for emission-reduced and electric drives, we support the mobility of the future. Hydrogen is considered a key element in the transition to a climate-neutral energy supply of the future. We are involved in both mobile and stationary applications of hydrogen technology. The spectrum ranges from renewable power generation to the production, storage, distribution and use of hydrogen.

We are a reliable partner for German and international armed and security forces. As a leading European systems house Rheinmetall Defence offers with its product and capability spectrum innovative, state-of-the-art and threat-appropriate security technology for military and civilian applications alike. We protect those who protect us all – against current and future threats.

As a corporate citizen, we have an important role in society because we

- contribute to national growth, stability and security
- actively shape technological change through ambitious research and development
- create high-quality, modern workplaces
- support diversity, build talent and develop employees
- promote employment in supply chains through our business activities
- contribute to the economic prosperity of the communities in which we live and work
- assume social responsibility in society and in the communities where we operate.

We want to take advantage of growth opportunities, sustainably and continuously increase our profitability and successively integrate social and environmental aspects even more strongly into our business activities. In doing so, we also take into account the 17 United Nations Sustainable Development Goals (SDGs), which are set for the year 2030. As a signatory of the UN Global Compact, we are expressly committed to its ten principles in the areas of human rights, labour protection, environment and prevention of corruption.

7 PERFORMANCE

Performance

Share Indicators

Rheinmetall share | basic information

Equity as of year-end		2021	2020	2019
Share capital	€ million	111,5	111,5	111,5
Issued shares	Thousands of units	43.559	43.559	43.559
Free float (incl. treasury stocks)	Percent	100	100	100
Treasury stock	Percent	0,6	0,8	1,1

Shares

Share price at end of fiscal year (Xetra)	EUR	83,06	86,58	102,40
Performance over the year	Percent	-4	-15	+33
Market capitalization at year-end	€ billion	3,5	3,8	4,5
Average sales per trading day (Xetra)	Thousands of units	140	198	146

Rheinmetall Share price development

		2021	2020	2019
Highest closing price (Xetra)	EUR	92,66	107,95	117,55
	Date	1/20/2021	1/20/2020	9/17/2019
Lowest closing price (Xetra)	EUR	77,00	44,46	76,68
	Date	9/10/2021	3/19/2020	1/3/2019

Shareholder structure

		2021	2020	2019
Institutional investors	Percent	68	66	79
Europe	Percent	23	29	30
North America	Percent	42	36	48
Rest of world	Percent	3	1	1
Private shareholders	Percent	17	17	17
Rheinmetall Treasury Stocks	Percent	1	1	1
Other	Percent	3	3	0
Not identified	Percent	11	13	3

Voting rights notifications in accordance with section 33 of the German Securities Trading Act

		2021	2020	2019
Voting rights ≥ 3 %	Number	3	2	2
Voting rights ≥ 5 %	Number	0	1	0
Voting rights ≥ 10 %	Number	0	0	1

Earnings per share

		2021	2020	2019
	EUR	6,72	-0,62	7,77

Dividend per share

		2021	2020	2019
	EUR	3,30	2,00	2,40

Payout ratio

		2021	2020	2019
	Percent	37	34	31

Investor relations communications

		2021	2020	2019
Investor relations contacts and conference calls	Number	877	864	654

Research-Coverage

		2021	2020	2019
Investment recommendation Buy	Number	16	20	9
Investment recommendation Hold	Number	0	2	13
Investment recommendation Sell	Number	0	0	0

As of 31 December 2021

Performance

Business Indicators

Rheinmetall AG

		2021	2020	2019
Sales	€ million	5.658	5.405	6.255
Operating result	€ million	594	446	505
Operating result margin	Percent	10,5	8,3	8,1
EBIT	€ million	608	398	512
EBIT margin	Percent	10,8	7,4	8,2
EBT	€ million	582	367	477
Net income	€ million	332	1	354
Return on capital employed (ROCE)	Percent	19,0	11,8	15,4

Cashflow

		2021	2020	2019
Cash flow from operating activities	€ million	690	453	602
Cash flow from investments	€ million	-271	-237	-288
Operating free cash flow	€ million	419	217	314

Balance sheet

		2021	2020	2019
Total equity	€ million	2.620	2.053	2.272
Total assets	€ million	7.734	7.267	7.415
Equity ratio	Percent	33,9	28,2	30,6
Cash and cash equivalents	€ million	1.039	1.027	920
Total assets less cash and cash equivalents	€ million	6.695	6.240	6.496
Net financial debt (-)/Net liquidity(+)	€ million	118	4	-52
Leverage	Years	1,1	1,5	–

Locations | by regions

		2021	2020	2019
Total	Number	133	129	131
Germany	Number	42	40	41
Europe excluding Germany	Number	45	44	42
Americas	Number	15	14	14
Africa	Number	5	5	6
Asia	Number	18	18	18
Australia	Number	8	8	8

Customer Countries | by regions

		2021	2020	2019
Europe	Number	39	39	40
Americas	Number	25	24	24
Africa	Number	30	25	28
Asia	Number	43	47	49
Rest of world	Number	2	2	2
Total	Number	139	137	143

Sales | by regions

GRI 102-7

		2021	2020	2019
Germany	€ million	1.931	1.926	1.946
Europe excluding Germany	€ million	1.745	1.526	1.866
Americas	€ million	462	437	655
Asia	€ million	1.040	926	1.080
Rest of world	€ million	480	590	709
Rheinmetall Group	€ million	5.658	5.405	6.255

Sales | Emerging markets

		2021	2020	2019
Rheinmetall Group	€ million	239	334	426
	Percent	3,9	5,6	5,6

World Bank List of Economies (March 2021)

Sales | Countries | Transparency International Government Defence Integrity Index

		2021	2020	2019
Share of sales in countries band "E" (risk: very high)	Percent	6,8	1,9	2,7
Share of sales in countries band "F" (risk: critical)	Percent	7,3	7,3	6,2

Transparency International Government Defence & Security

Sales | Countries | Transparency International Corruption Perceptions Index

		2021	2020	2019
CPI-Score ≤ 19 Very high risk	Percent	0,0	0,0	0,0
CPI-Score ≥ 20 to ≤ 39 High risk	Percent	6,8	9,0	9,5
CPI-Score ≥ 40 to ≤ 59 Average risk	Percent	17,3	15,7	18,9
CPI-Score ≥ 60 to ≤ 79 Low risk	Percent	34,7	33,7	32,2
CPI-Score ≥ 80 to 100 Very low risk	Percent	41,2	41,6	39,4

Performance

Business Indicators

Rheinmetall | Sales | Divisions

		2021	2020	2019
Vehicle Systems	€ million	1.883	1.846	1.787
Weapon and Ammunition	€ million	1.233	1.199	1.018
Electronic Solutions	€ million	932	931	948
Sensors and Actuators	€ million	1.315	1.202	1.525
Materials and Trade	€ million	651	536	937
Others/consolidation	€ million	-356	-309	-231
Rheinmetall Group	€ million	5.658	5.405	6.255

Rheinmetall | Sales | Regions

		2021	2020	2019
Germany	Percent	34	36	31
Europe excluding Germany	Percent	31	28	30
Americas	Percent	8	8	11
Asia	Percent	18	17	17
Rest of world	Percent	9	11	11
Rheinmetall Group	€ million	5.658	5.405	6.255

Rheinmetall | Operating result | Divisions

		2021	2020	2019
Vehicle Systems	€ million	174	149	150
Weapon and Ammunition	€ million	218	184	123
Electronic Solutions	€ million	99	92	75
Sensors and Actuators	€ million	103	36	118
Materials and Trade	€ million	51	29	28
Others/consolidation	€ million	-49	-44	-6
Rheinmetall Group	€ million	596	446	488

Performance

Finance Indicators

The most important principle for Rheinmetall is to ensure that it remains solvent at all times. Another core task of the Group's centrally organized financial management is to generate a positive contribution to the Group's enterprise value and profitability. This primarily entails the efficient implementation of financial transactions and optimization of liquidity, capital structure and contractual conditions.

Within the scope of global cash management, excess liquidity at subsidiaries is pooled at the Group headquarters and made available to Group companies based on their liquidity requirements. To ensure that it meets its overriding aim – solvency at all times – in addition to the liquidity position Rheinmetall also has contractually agreed credit facilities with banks and access to the money and capital markets.

Another key principle for financial management is the company's financial independence from individual banks and financial service providers. To prevent possible cluster risks, Rheinmetall therefore has a broadly diversified portfolio of national, European and international financial partners for every service involved in processing operational business. Creditworthiness-linked counterparty limits are also used to limit financial default risks.

Rheinmetall covers its operating financial requirements using a mix of existing liquidity sources across the Group and external, short- and long-term negotiated financial instruments. Here, the financing elements used are broadly diversified in terms of sources, maturities and instruments, and the associated costs are also optimized. This achieves the goal of ensuring sufficient financing scope at all times, even in difficult times. In addition to the approach described for the operating business, long-term real estate loans are also used for investments or development loans, for example to finance research and development activities.

Financing instruments

€ million	Term	Nominal	Financing source
Promissory note loans	2022-2029	375	International financial institutions
Development loans Research and development I	2023	250	European Investment Bank (EIB)
Development loans Research and development II	2028	80 - 100	European Investment Bank (EIB) (Auszahlung 80 MioEUR im Dezember 2022)
Commercial paper (CP)	Unlimited	500	Money market investors
Syndicated loan	2026	500	12 banks
Real-estate financing and development loans	2020-2025	30	banks
Bilateral credit facilities (cash and guarantee credit)	2022	2.994	Banks and insurance companies

As of December 31, 2021

Moody's rating

		2021	2020	2019
Investment grade	6/28/2021			
Long-term rating		Baa3	Baa3	Baa3
Outlook		Stable	Stable	Stable

Performance

Technology and Innovation Indicators

Our corporate responsibility is apparent in our products. Innovative strength and technological competence are key measures of competitiveness in the rapidly changing world of business. Tradition and innovation – the Rheinmetall technology group can draw on more than 130 years of specialist knowledge, system expertise and industry experience in the civilian and military business sectors. Our consistent focus on technology is a prerequisite for not only picking up on the developments of our time, but also for actively helping to shape technological change and, as a result, achieving long-term business success in a diverse range of technologically demanding markets.

As a longstanding technology and innovation partner to our customers, we have a detailed understanding of their requirements. Rheinmetall invests large sums year after year in research and development in order to increase its technological expertise, expand its market positions and secure the basis for the company's future success with a diversified product portfolio. Market, industry and technological trends are systematically observed before being analyzed and assessed in terms of their strategic and economic significance. Thanks to close collaboration between Sales, Development, Production, Service and Marketing as well as intensive project work in partnership with our customers, new requirements of products, systems, processes and applications are quickly identified and acted upon with the shortest possible development periods. Product lines are continuously improved and expanded, while new or associated business areas are gradually developed thanks to innovative products, future-oriented systems and customized services.

In the medium to long term, we also intend to support our company's growth with products that – based on an intensified transfer of technologies between our divisions – are not directly derived from the existing portfolio. Over the next few years, we will continue expanding our activities and develop new activities in the technology fields of (new) mobility, sensor technology, digitalization, artificial intelligence and automation.

Our own application-related research and development work is supplemented by studies into the latest scientific findings from basic research programs. Another key pillar of our research work is collaboration with industrial partners, renowned research institutes and skilled experts, which supports the transfer of knowledge from research into practice. Furthermore, Rheinmetall promotes young scientific staff at an international level with an endowment professorship for alternative drive systems at the Chinese-German College for Postgraduate Studies of the prestigious Tongji University in Shanghai, China and in project-related cooperations with the Shanghai Jiao Tong University, Shanghai, China.

Research & Development

		2021	2020	2019
Employees	Number	4,380	4,276	4,129
	Percent	21,7	16,9	16,0
Total workforce				

		2021	2020	2019
R&D: Expenses	€ million	337	372	355
of which capitalized	€ million	77	47	41
R&D ratio	Percent	6,0	6,3	5,7

Intellectual property rights

		2021	2020	2019
	Number	8.574	8.115	6.276

Performance

Risk Indicators

Environmental Social Governance

Sustainability risks differ in part from traditional risk assessments in terms of the timescale considered, the assessment of their impact, but also in perspective. For this reason, the process for sustainability risk reporting builds on the existing risk management modules, but goes beyond them in parts. This avoids both duplication of work and double entries while also ensuring comprehensive analysis.

If we do not comply with the increasing regulatory requirements and fail to meet the expectations and requirements of governments, customers, investors, lenders and other financial institutions in the areas of environmental and social responsibility and governance (ESG) to the required extent or level of detail, this can have a negative impact on the Rheinmetall Group's business and earnings. Customers could potentially refuse to award contracts to us, private and institutional investors might refuse to include us in their portfolio, and financial institutes might refuse to issue loans at all or only at an increased cost. We counter these risks through comprehensive and transparent CSR/ESG reporting based on globally recognized standards such as the Global Reporting Initiative and – where possible – through continuous improvement of our customer and CSR/ESG ratings from internationally renowned agencies and institutions such as MSCI, ISS ESG, Sustainalytics, VigeoEiris, Arabesque, Gaia and CDP.

Furthermore, the passing of legislation or regulations for the finance sector could cause institutional investors to restructure their portfolios and reduce or eliminate their exposures in companies that operate in industries classed as critical. Possible sector exclusions (e.g. for the weapons and defence industry) could also limit our options to raise capital. Changes to the qualification criteria for being accepted to or remaining on stock indices could also harbor risks for our company.

Business activities that touch on sensitive ESG topics can result in a negative response among stakeholders or trigger negative media reports, which could damage our reputation and jeopardize the achievement of our business goals. This impact could be exacerbated by insufficient crisis communication.

The protection of human rights is an integral part of our social responsibility and anchored in our Group guidelines such as the Code of Conduct, the Supplier Code of Conduct and the principles of social responsibility. Rheinmetall seeks to prevent the negative consequences of its business activities and supply chain impacting its ability to uphold human rights. It is a matter of course for us to identify human-rights-related risks associated with our business activities and sphere of influence through, for example, adequate due diligence processes and risk analyses and to mitigate these risks as far as possible through suitable measures.

With 133 locations in 33 countries, we are subject during our everyday business to a wide range of legal and regulatory requirements, any of which can be updated, developed or made stricter at ever shorter notice. This applies in particular to provisions relating to not only the environment, chemicals, hazardous substances and critical raw materials, but also occupational and health protection. Adapting to new requirements could increase our operating costs or result in unscheduled investments. A whole range of different licenses and approvals are also required for our locations and factories and their provisions have to be met, which are subject to renewal, amendment, suspension and revocation by the issuing authority. Violations of relevant official regulations that apply to how we exercise our business activities or infringement of social, (occupational) safety and environmental standards could potentially harm Rheinmetall's reputation and subsequently result in internal or external investigations, requirements, remediation obligations, claims for damages and, under certain circumstances, substantial fines or penalties.

Performance

Risk Indicators

We actively counter these risks in various ways, including through high technical standards, integrated management systems and certification in accordance with international standards such as ISO 14001, ISO 50001 and ISO 45001.

We evaluate measures that go above and beyond compliance with legal requirements on a cost-benefit basis. Although we have organizational structures and procedures in place to ensure that we comply with applicable government regulations in the conduct of our business, it cannot be entirely ruled out that violations of applicable government regulations could occur on our part or on the part of third parties with whom we have a contractual relationship and whose actions could be attributed to us.

A large amount of land owned by the Rheinmetall Group has been subject to industrial usage for decades. For this reason, it cannot be ruled out that contamination has also been generated during this time as a result of production that Rheinmetall is not yet aware of. Provisions have been recognized for necessary measures to safeguard against or clean up identified pollution. The elimination of leaks or the clean-up of effects resulting from technical failure could give rise to direct costs for the company. It is possible that the relevant authorities may issue regulations that require costly clean-up measures.

We counter potential environmental risks by implementing statutory environmental standards, certified environmental management systems, proper and safe storage of hazardous substances, and environmentally friendly disposal of waste and hazardous materials via certified service providers. At our different locations, special organizational units ensure that the relevant legislation and regulations are observed and that further technical options for mitigating environmental risks are identified. The tightening of environmental protection provisions and environmental standards could lead to additional unplanned costs and liability risks over which Rheinmetall would have no influence. For certain environmental risks, we have taken out liability insurance policies with coverage amounts that we consider customary and appropriate for the industry. We could incur losses from environmental damage that exceed the insured amounts or are not covered by insurance.

Risks attributable to climate change are currently already beginning to emerge. These can be chronic and acute physical risks such as the rise in average temperature, rising sea levels, extreme weather events, sharply fluctuating water levels, increasing heat waves and droughts affecting property. With regard to production sites, production interruptions, delivery delays or delivery failures represent significant risks. These may be exacerbated by more intense and frequent extreme weather events. Transitory risks from climate change arise from cross-sector structural change due to the transition to a lower-carbon economy. They relate in particular to changes in the legal framework and tighter limits at national or transnational level. These include, for example, increasing efforts by legislators to introduce CO₂ pricing via emissions trading systems, to levy additional taxes and to tighten energy legislation. Furthermore, Rheinmetall's emissions balance and intensity could lead to a negative perception and limited attractiveness among stakeholder groups such as customers and investors.

Climate protection measures also entail financial risks, for example due to increased energy and investment costs, emerging levies for CO₂ emissions or extended specifications for products. To identify and better assess risks from climate change more reliably, Rheinmetall carried out an initial comprehensive site-specific assessment on its production sites in the year under review using database content from a renowned service provider in accordance with the parameters of the Task Force on Climate-related Financial Disclosure.

We are making a contribution to prevention with some of our products in civil business sectors and by gradually reducing our own CO₂ emissions as part of energy and carbon management. We have set ourselves the ambitious goal of being carbon neutral by 2035.

Environmental risks

		2021	2020	2019
Provisions	€ million	28	26	27

Risk classification

		2021	2020	2019
Environmental Social Governance	Risk class	Medium risk	—	—
Public perception and corporate social responsibility	Risk class	—	Low risk	Medium risk

19 PEOPLE

People

Employee Indicators

Rheinmetall's success depends to a great extent on the ideas, expertise, enthusiasm and commitment of its employees. Rheinmetall is faced with increasingly tough competition from other companies to gain qualified personnel. Acquiring skilled employees for the companies is therefore a key task in our HR work. In addition to performance-based remuneration and progressive benefits, we attach particular importance to having a wide spectrum of career opportunities on offer in the Rheinmetall Group companies. We offer interdisciplinary career paths, deployment opportunities to international locations, and tailored training opportunities for individual professional and personal development. A customer-focused corporate culture, based on the values of respect, trust and openness and in which the performance and commitment of each individual is appreciated, is a key requirement for being attractive as an employer.

Employees | by segments

GRI 102-8

		2021	2020	2019
Rheinmetall Divisions	Number	25.537	24.789	25.222
Germany	Number	12.898	12.472	12.442
Abroad	Number	12.639	12.317	12.780
Rheinmetall AG and Service companies	Number	626	540	545
Germany	Number	478	408	393
Abroad	Number	148	137	152
Rheinmetall Group	Number	26.163	25.329	25.767
Germany	Number	13.376	12.875	12.835
Abroad	Number	12.787	12.454	12.932
Total workforce				

Employees | by divisions

GRI 102-8

		2021	2020	2019
Vehicle Systems	Number	5.327	4.840	4.398
Weapon and Ammunition	Number	5.204	5.112	5.253
Electronic Solutions	Number	3.563	3.357	3.361
Sensors and Actuators	Number	4.739	4.954	5.110
Materials and Trade	Number	2.614	2.498	2.554
Pistons	Number	4.090	4.028	4.546
Rheinmetall AG and Service companies	Number	626	540	545
Rheinmetall Group	Number	26.163	25.329	25.767
Total workforce				

Employees | by regions**GRI 102-8**

		2021	2020	2019
Total	Number	26.163	25.329	25.767
Germany	Number	13.376	12.875	12.835
Abroad	Number	12.787	12.454	12.932
EU (excluding Germany)	Number	5.866	5.784	5.899
North America	Number	2.201	2.162	2.247
South America	Number	1.304	1.172	1.366
Asia	Number	1.518	1.548	1.523
Africa	Number	1.272	1.315	1.527
Australia	Number	626	473	370
Share Abroad	Percent	48,9	49,2	50,2
Total workforce				

Employees | by gender**GRI 102-8**

		2021	2020	2019
Total	Number	5.328	5.222	5.339
Germany	Number	2.606	2.542	2.536
Abroad	Number	2.722	2.680	2.803
EU excluding Germany	Number	1.158	1.165	1.208
North America	Number	638	625	638
South America	Number	134	130	152
Asia	Number	282	295	307
Africa	Number	377	369	424
Australia	Number	133	96	74
Share Abroad	Percent	51,1	51,3	52,5
Total workforce				

Employees | by employment type**GRI 102-8**

		2021	2020	2019
Full-time workforce	Number	25.018	24.231	24.650
	Percent	96	96	96
Part-time workforce	Number	1.145	1.098	1.117
	Percent	4	4	4
Rheinmetall Group	Number	26.163	25.329	25.767
	Percent	100	100	100
Salaried workforce				

People

Employee Indicators

Employees | by contract type

GRI 102-8

		2021	2020	2019
Permanent	Number	25.302	24.655	25.001
	Percent	97	97	97
Part-time	Number	861	674	766
	Percent	3	3	3
Rheinmetall Group	Number	26.163	25.329	25.767
	Percent	100	100	100
Total workforce				

Employees | by contract type

GRI 102-8

		2021	2020	2019
Workforce covered by collective wage agreements	Number	9.803	9.532	9.570
Workforce not covered by collective wage agreements	Number	1.582	1.540	1.486
Managers	Number	219	227	240
Salaried workforce Germany				

Employees | represented by a trade union or covered by collective bargaining agreements

		2021	2020	2019
Germany	Number	9.803	9.532	9.570
Europe excluding Germany	Number	5.866	5.784	5.899
Total	Number	15.669	15.316	15.469
	Percent	60,0	60,5	60,0
Total workforce				

Employees | Postings

		2021	2020	2019
Expats	Number	61	61	66
Germany				

Temporary staff

		2021	2020	2019
Temporary workforce	Number	2.680	2.264	1.663

Trainees

		2021	2020	2019
Trainees	Number	796	746	767
Germany	Number	406	405	420
Abroad	Number	390	341	347
Trainee ratio	Percent	3	3	3
Germany	Percent	3	4	4
Abroad	Percent	3	3	3
Total workforce				

Trainees | by gender

		2021	2020	2019
Female	Number	109	101	119
Germany	Number	73	68	81
Abroad	Number	36	33	38
Male	Number	687	645	648
Germany	Number	333	337	339
Abroad	Number	354	308	309
Share of female trainees	Percent	14	14	16
Germany	Percent	18	17	19
Abroad	Percent	9	10	11
Total workforce				

Trainees | joining

		2021	2020	2019
Trainees joining the company	Number	382	270	328
Germany	Number	129	125	152
Abroad	Number	253	145	176
Total workforce				

Trainees | taking up employment

		2021	2020	2019
Trainees taking up employment	Number	137	112	174
Germany	Number	99	93	111
Abroad	Number	38	19	63
Total workforce				

People

Employee Indicators

Training courses

		2021	2020	2019
Industrial/technical skilled occupations	Number	26	45	44
Commercial skilled occupations	Number	7	10	10
Dual courses of study	Number	12	36	36

Trainees | by occupations

		2021	2020	2019
Trainees industrial/technical skilled occupations	Number	635	619	622
Germany	Number	320	324	340
Abroad	Number	315	295	282
Trainees commercial skilled occupations	Number	161	127	145
Germany	Number	86	81	80
Abroad	Number	75	46	65
Share of trainees receiving training for industrial/technical occupations	Percent	80	83	81
Share of trainee receiving training for commercial occupations	Percent	20	17	19

Total workforce

Graduates

		2021	2020	2019
Graduates	Number	58	48	54
Germany	Number	36	45	54
Abroad	Number	22	3	—

Salaried workforce

Interns

		2021	2020	2019
Interns	Number	140	173	166
Germany	Number	68	64	70
Abroad	Number	72	109	96
Interns during the year	Number	418	414	377
Germany	Number	199	210	246
Abroad	Number	219	204	131

Salaried workforce | on the reporting date

Disability

		2021	2020	2019
Disabled persons	Number	606	582	575
Disability rate	Percent	4,5	4,5	4,5
Workforce Germany				

Nationalities represented in German workforce

		2021	2020	2019
Employees with non-german nationality	Number	837	826	859
Nationalities represented in German workforce	Number	69	70	73
Workforce Germany				

Certification | ISO 45001

		2021	2020	2019
Coverage workforce	Number	5.326	5.090	4.575
	Percent	20	20	18
Total workforce				

Employer ranking

		2021	2020	2019
trendence-Students				
Students - Mechanical Engineering	Place	24	43	—
Students - Automation Technology	Place	27	43	—
Young Professionals - Mechanical Engineering	Place	16	15	14
Universum- Germany Top 100 Ideal Employers				
Young Professionals Engineering	Place	25	34	23
Young Professionals IT	Place	86	62	—
Germany's Best Employers by "Stern" magazine				
Automotive and suppliers	Place	18	—	—
Rail, ship and aircraft construction	Place	24	—	—

Employee share programme

		2021	2020	2019
Shares acquired	Number	105.118	95.219	55.742
Participating companies	Number	27	25	25
Eligible employees	Number	12.551	12.024	11.722
Participating employees	Number	3.321	2.829	2.325
Participation rate	Percent	26	24	20

People

Employee Indicators

Corporate suggestion scheme

		2021	2020	2019
Improvement proposals submitted	Number	22.362	16.169	19.094
Total workforce				

Personnel expenses

GRI 201-1

		2021	2020	2019
Personnel expenses	€ million	1.643	1.537	1.678
Personnel expenses / employees	€ thousand	83	79	72
Sales / employees	€ thousand	285	278	267
Personnel expenses ratio	Percent	29	28	27

Personnel expenses

		2021	2020	2019
Wages and salaries	€ million	1.353	1.244	1.366
	Percent	82	81	81
Social contributions and expenses for benefits	€ thousand	160	145	176
	Percent	10	9	11
Pension expenses	€ thousand	112	105	109
	Percent	7	7	7
Expenses for social plans, severance payments, partial retirement	€ thousand	17	43	27
	Percent	1	3	1
Total personnel expenses	€ million	1.643	1.537	1.678
	Percent	100	100	100

Defined benefit pension plans

GRI 201-1

		2021	2020	2019
Pension provisions	€ million	773	1.177	1.169

Recruiting

		2021	2020	2019
Applications via TalentLink	Number	58.020	60.678	56.858

Recruiting

		2021	2020	2019
Vacant positions	Number	2.287	1.844	2.028
Occupied positions	Number	1.480	1.111	1.268

Entries**GRI 401-1**

		2021	2020	2019
External job market	Number	3.002	2.109	3.069
Germany	Number	1.134	763	1.053
Abroad	Number	1.868	1.346	2.016
Internal transfers	Number	557	282	560
Germany	Number	439	192	237
Abroad	Number	118	90	323
Transfer of trainees	Number	137	112	174
Germany	Number	99	93	111
Abroad	Number	38	19	63
Rheinmetall Group	Number	3.696	2.503	3.803
Germany	Number	1.672	1.048	1.401
Abroad	Number	2.024	1.455	2.402

Salaried workforce

Leaves**GRI 401-1**

		2021	2020	2019
Employee-initiated	Number	1.190	879	1.201
Germany	Number	263	205	206
Abroad	Number	927	674	995
Employer-initiated	Number	360	716	389
Germany	Number	96	79	76
Abroad	Number	264	637	313
Neutral reasons	Number	1.056	1.175	942
Germany	Number	655	645	511
Abroad	Number	401	530	431
Rheinmetall Group	Number	2.606	2.770	2.532
Germany	Number	1.014	929	793
Abroad	Number	1.592	1.841	1.739

Salaried workforce

Fluctuation rate**GRI 401-1**

		2021	2020	2019
Leaves in total	Percent	11,2	12,1	10,9
Employer initiated terminations	Percent	1,5	3,1	1,7
Resignation	Percent	5,1	3,8	5,2
Neutral leaves	Percent	4,5	5,1	4,1

Salaried workforce

People

Employee Indicators

Parental leave GRI 401-3

		2021	2020	2019
Female employees	Number	115	96	95
Male employees	Number	49	40	33
Rheinmetall Group	Number	164	136	128
including returnees working part-time	Number	14	22	5

Workforce Germany

Temporary leave re care

		2021	2020	2019
Female employees	Number	0	1	1
Male employees	Number	1	0	0
Rheinmetall Group	Number	1	1	1

Workforce Germany

Absenteeism GRI 403-10

		2021	2020	2019
Germany	Hours	4.964.922	4.850.436	4.813.303

Total Workforce

Sick leave GRI 403-10

		2021	2020	2019
Rheinmetall Group	Percent	4,5	4,7	4,8

Accidents at Work GRI 403-9

		2021	2020	2019
Rheinmetall Group	Number	317	279	—

Lost Time Incident Rate (LTIR) GRI 403-9

		2021	2020	2019
Rheinmetall Group	Factor	6,5	5,9	—

per one million working hours

Tenure | Workforce

		2021	2020	2019
Length of service	Years	11,8	11,9	11,9
Germany	Years	13,5	13,9	14,0
Abroad	Years	10,0	9,8	9,9

Salaried workforce

Age brackets**GRI 405-1**

		2021	2020	2019
≤ 24 years	Number	807	763	885
25 to 29 years	Number	2.211	2.237	2.408
30 to 39 years	Number	7.034	6.785	6.760
40 to 49 years	Number	6.404	6.105	6.107
50 to 59 years	Number	6.110	6.010	6.223
60 to 64 years	Number	2.010	1.956	1.968
≥ 65 years	Number	270	244	216
Rheinmetall Group	Number	24.846	24.100	24.567

Salaried workforce

Age categories

			2021	2020	2019
Post-war generation	(Years 1946-1955)	Number	117	230	424
Generation Babyboomer	(Years 1956-1965)	Number	4.560	4.935	5.432
Generation X	(Years 1966-1980)	Number	9.367	9.125	9.318
Generation Y	(Years 1981-1995)	Number	9.700	9.039	8.761
Generation Z	(Years from 1996)	Number	1.097	766	628
Total		Number	24.841	24.095	24.563

Salaried workforce

Management level | by gender**GRI 405-1**

		2021	2020	2019
Executives	Number	19	—	—
Female	Number	0	—	—
Male	Number	19	—	—
Top Management	Number	125	—	—
Female	Number	14	—	—
Male	Number	111	—	—
Senior Management	Number	410	—	—
Female	Number	49	—	—
Male	Number	361	—	—
Management	Number	1.741	—	—
Female	Number	203	—	—
Male	Number	1.538	—	—
Professionals	Number	4.715	—	—
Female	Number	990	—	—
Male	Number	3.725	—	—

Total workforce | Data for 2019 and 2020 not available | Change of parameters

People

Employee Indicators

Female employees | by segments

GRI 405-1

		2021	2020	2019
Divisions	Number	5.124	5.028	5.227
	Percent	21,9	22,0	20,7
Rheinmetall Holding and service companies	Number	204	194	112
	Percent	32,7	35,9	38,1
Rheinmetall Group	Number	5.328	5.222	5.339
	Percent	20,4	20,6	20,7
Total workforce				

Female employees | by countries

GRI 102-8

		2021	2020	2019
Australia	Number	133	96	74
Austria	Number	125	116	94
Brazil	Number	134	130	152
Canada	Number	78	78	74
China	Number	181	174	182
Czech Republic	Number	305	324	405
France	Number	81	99	104
Germany	Number	2.606	2.542	2.536
India	Number	20	26	29
Italy	Number	160	152	149
Japan	Number	54	69	70
Malta	Number	2	2	2
Mexico	Number	281	268	261
Netherlands	Number	5	11	7
Norway	Number	13	11	12
Poland	Number	1	1	2
Russian Federation	Number	5	5	5
Saudi Arabia	Number	1	1	2
Singapore	Number	10	10	10
South Africa	Number	377	369	424
South Korea	Number	1	1	1
Spain	Number	154	154	153
Switzerland	Number	191	188	179
Turkey	Number	4	3	2
United Arab Emirates	Number	6	6	6
United Kingdom	Number	121	107	101
United States of America	Number	279	279	303
Rheinmetall Group	Number	5.328	5.222	5.339
Total workforce				

Female employees | by regions

GRI 102-8

		2021	2020	2019
Total	Number	5.328	5.222	5.339
Germany	Number	2.606	2.542	2.536
Abroad	Number	2.722	2.680	2.803
EU excluding Germany	Number	1.158	1.165	1.208
North America	Number	638	625	638
South America	Number	134	130	152
Asia	Number	282	295	307
Africa	Number	377	369	424
Australia	Number	133	96	74
Share Abroad	Percent	51,1	51,3	52,5
Total workforce				

Management levels | Percentage of women | Objectives

		Managing Board/ Managing Directors	1st Management level	2nd Management level
Rheinmetall AG	Percent	0	14,8	27,3
Rheinmetall Electronics GmbH	Percent	0	11,11	4,88
Rheinmetall Landsysteme GmbH	Percent	0	7,14	12,96
Rheinmetall Waffe Munition GmbH	Percent	0	8,7	7,1
Pierburg GmbH	Percent	0	16,7	12,5
KS Kolbenschmidt GmbH	Percent	0	8,3	14,3
KS Gleitlager GmbH	Percent	0	0	0
KS HUAYU AluTech GmbH	Percent	0	30	0
Pierburg Pump Technology GmbH	Percent	0	0	4,17

Period from 1 July 2017 to 30 June 2022

Supervisory Boards | Percentage of women | Objectives

		Objective
Rheinmetall Electronics GmbH	Percent	30
Rheinmetall Landsysteme GmbH	Percent	0
Rheinmetall Waffe Munition GmbH	Percent	0
Pierburg GmbH	Percent	30
KS Kolbenschmidt GmbH	Percent	16,67
KS Gleitlager GmbH	Percent	16,67
KS HUAYU AluTech GmbH	Percent	11,11
Pierburg Pump Technology GmbH	Percent	30

Period from 1 July 2017 to 30 June 2022

People

Employee Indicators

Management programs | Percentage of women

		2021	2020	2019
Women	Number	49	36	83
	Percent	19	15	12

International Framework Agreement

		2021	2020	2019
Coverage of workforce	Percent	100	100	100

Coverage by Global Framework Agreement

Broad-Based Black Economic Empowerment | South Africa

		2021	2020	2019
Rheinmetall Denel Munition Pty., Ltd.	Level	2	3	3

Employees | South Africa

Rheinmetall Denel Munition Pty., Ltd.		2021	2020	2019
Total				
White	Percent	20	21	21
African	Percent	38	37	36
Coloured	Percent	40	40	41
Indian	Percent	2	2	2
Male	Percent	74	75	74
Female	Percent	26	25	27

Workforce South Africa

Employees | South Africa

Rheinmetall Denel Munition Pty., Ltd.		2021	2020	2019
Top Management				
White	Percent	71	67	67
African	Percent	14	17	17
Coloured	Percent	0	0	0
Indian	Percent	14	17	17
Male	Percent	86	83	83
Female	Percent	14	17	17
Senior Management				
White	Percent	67	63	67
African	Percent	8	9	8
Coloured	Percent	14	17	15
Indian	Percent	11	11	10
Male	Percent	89	83	85
Female	Percent	11	17	15
Professionally Qualified				
White	Percent	60	66	63
African	Percent	24	17	19
Coloured	Percent	11	11	13
Indian	Percent	6	5	6
Male	Percent	82	84	84
Female	Percent	18	16	16
Technical Skilled				
White	Percent	19	21	21
African	Percent	35	34	34
Coloured	Percent	46	43	43
Indian	Percent	1	2	2
Male	Percent	76	78	77
Female	Percent	24	23	23

Workforce South Africa

People

Social Indicators



Social acceptance is an important requirement for companies' economic success. Many Rheinmetall companies can look back on a long history. They have been connected with their sites for many years and are strongly rooted in the local community – after all, this is where their customers, employees and business partners live. Rheinmetall is a living, breathing part of society and participates actively in it and not just in a financial sense. We get involved in the areas of education, sport and culture and also provide direct support for local social projects and charitable organizations. By adding value locally, we also contribute to regional development. Flourishing production sites do not only mean attractive, highly skilled jobs and training places close to home but also orders for local suppliers and service providers. In addition, a large part of the sales generated by the companies returns to the respective economies via the employees, public sector and the shareholders. Capital expenditure in future growth is financed via the value added remaining in the Rheinmetall Group. We also make major contributions to society as an employer and client as well as with our products and the transfer of knowledge.

Sponsorship		GRI 413-1		
		2021	2020	2019
	€ thousand	327	716	876

Donations		GRI 413-1		
		2021	2020	2019
	€ thousand	252	132	486

Integration of stakeholder groups

Sustainability management at Rheinmetall is based on the precautionary principle. Any possible adverse impact on humans and the environment as a result of the Group's business activities should be considered at an early stage and be excluded or reduced as far as possible. If we know the interests, positions, attitudes, opinions and concerns of our key stakeholders, we can focus our commercial decisions more effectively in line with their expectations. With 165 companies in 33 countries, we have a very prominent presence in our markets and enjoy continual and lively dialogue with various stakeholders, which include customers and business partners, private shareholders and institutional investors, employees, suppliers, representatives of the media, representatives of the worlds of science and research, society, politicians and authorities as well as representatives from associations and organizations. This allows us to establish and develop important relationships as well as to receive inspiration and specific proposals at an early stage, also for our sustainability strategy and activities.

STAKEHOLDER		FORMATS
	CUSTOMERS AND BUSINESS PARTNERS	Close contact to and intensive consultation with clients; client events, trade shows, corporate communications media and customer surveys
	SHAREHOLDERS AND INVESTORS	Annual shareholders' meeting, capital market conferences and road-shows, analyst and investors' meetings, financial ratings, financial communications, investor relations online portal and capital markets days
	EMPLOYEES	CEO letters, personal meetings, employee surveys, internal media, dialog and information events, annual management conferences, employee suggestion program, employee newsletters, works council committees and seminars
	SUPPLIERS	Supplier meetings, supplier conferences, supplier development, supplier audits and supplier surveys
	MEDIA	Press releases, press conferences, meetings with representatives of the financial and trade press, internet, social media channels, trade shows and factory tours
	KNOWLEDGE AND RESEARCH	Group research projects, grants for research projects, partnerships with colleges, award of master's theses, lectures/discussions at colleges, foundation professorships and participation in conferences
	SOCIETY	Press information, discussions with financial and trade press, internet, social media, participation in surveys and studies, answering individual queries and dialog with rating agencies on corporate social responsibility in the Rheinmetall Group, participation in events and conferences in the region, and personal meetings
	POLICY AND ADMINISTRATION	Parliament evenings, political discussions, background discussions, factory tours and trade shows
	ASSOCIATIONS AND ORGANIZATIONS	Meetings and committees, forums and events

Exhibitions

		2021	2020	2019
Rheinmetall Group	Number	7	3	24

People

Social Indicators

Transparency in the supply chain

We procure goods and services from countries all over the world to manufacture our products. Due to the extensive and highly diverse product portfolio, some of the supply chains of the Rheinmetall Group are extremely complex, globally fragmented and also subject to constant change. In a company that has international production plants and sales activities in 139 countries in fiscal 2021, upholding environmental and human rights due diligence obligations is a major challenge connected with a significant responsibility.

We are aware of the environmental and social risks inherent in complex, international supply chains. They can range from the negative environmental impact of raw materials procurement all the way through to upholding social standards in countries with some problematic socio-political conditions. We are committed to meeting the growing regulatory requirements and increasing expectations of our stakeholders with respect to a sustainable value-added chain, but we face a range of challenges here. This is not least of all due to a lack of transparency, significant complexity of material flows and different targets among actors along the value-added chain.

Suppliers | by region

		2021	2020	2019
Production Material				
Share of Germany	Percent	49	47	43
Share of EU (excluding Germany)	Percent	21	15	16
Share of OECD (excluding Germany and EU)	Percent	21	22	22
Share of non-OECD (excluding Germany and EU)	Percent	9	16	19
Non-Production Material				
Share of Germany	Percent	46	47	17
Share of EU (excluding Germany)	Percent	17	20	50
Share of OECD (excluding Germany and EU)	Percent	19	19	14
Share of non-OECD (excluding Germany and EU)	Percent	18	14	19
Total	Number	43.280	40.015	42.475

Suppliers | Sales | by region

		2021	2020	2019
Germany	€	4.776.565	3.230.948	3.578.950
	Percent	56	51	53
Europe excluding Germany	€	2.270.146	1.899.492	2.107.567
	Percent	27	30	31
Americas	€	603.921	460.530	539.126
	Percent	7	8	8
Asia	€	613.849	452.169	429.403
	Percent	7	7	6
Rest of world	€	252.805	259.406	148.444
	Percent	3	4	2
Rheinmetall Group	€	8.517.317	6.302.545	6.803.491
	Percent	100	100	100
Unconsolidated				

Suppliers | Business Partner Due Diligence

		2021	2020	2019
Audited suppliers	Number	269	229	140
without findings	Percent	87	72%	84%

Party donations

		2021	2020	2019
Democratic parties	€ thousand	66	20	19

Representative Offices | Employees

		2021	2020	2019
Berlin	Number	6	7	6
Koblenz	Number	1	1	—
Brussels	Number	4	3	4

Memberships | Excerpt

Bundesverband der Deutschen Sicherheits- und Verteidigungsindustrie e.V.
Bundesverband der Deutschen Sicherheits- und Verteidigungsindustrie e.V. AK Corporate Responsibility
Verband der Automobilindustrie e.V.
Verband der Automobilindustrie e.V. AK Lieferkette
Charta der Vielfalt e.V.
UN Global Compact
Deutsches Institut für Compliance e.V.
Deutsches Institut für Compliance e.V. AK Menschenrechte
Deutscher Investor Relations Verband
Nationaler Aktionsplan Wirtschaft und Menschenrechte Branchendialog Automobilindustrie
Chambers of Commerce and Industry

People

Social Indicators

Respect for human rights

Within its own sphere of influence, Rheinmetall supports the protection of internationally recognized human rights. Our commitment is reflected in the current Code of Conduct for employees of the Rheinmetall Group and in the international framework agreement Fair2All, which lays down the principles of social responsibility agreed upon with the European Works Council and the Industrie-All trade union. We also appeal to all our business partners, and in particular our suppliers, to follow our social principles. Our expectations of this stakeholder group are described in the Supplier Code of Conduct.

Protecting human rights in our own company and in the supply chain is an important priority of Rheinmetall. We still rate the risk that human rights will be violated in the employment of staff at our locations to be low as this is covered under the relevant national legislation. However, extensive analyses of the human rights risk situation in the countries where we maintain locations were performed for our own business area in the year under review in light of the requirements of the German Act on Corporate Due Diligence in Supply Chains.

For the further development of human rights compliance, focal points were developed in the categories of labour rights, tolerance, protection and security, on the basis of which further measures can be systematically structured.

Six minimum standards for respecting human rights are defined for Rheinmetall: no forced labor, no child labor, freedom of association, occupational safety, no discrimination and fair remuneration.

In the 2020 financial year, the vulnerable groups potentially affected by our business activities were considered. Four categories of potential complainants and their possible grievance concerns have been identified. Complaints and reports on assumed or actual human rights complaints and reports of assumed or actual human rights violations can be submitted externally through various communication channels. However, contact persons have also been established in the companies or at the sites. Incident Management, which is part of Corporate Compliance, ensures that these disclosed issues are investigated in a structured and unbiased manner with special protection for whistleblowers.

In April 2021, Rheinmetall joined the United Nations Global Compact (UNGC). As a signatory, we pledge to promote the UNGC's ten principles for sustainable and responsible business and development. In addition, signatories are required to report annually on their progress in implementing them. Based on the ten principles and the 17 United Nations Development Goals (SDGs), the UN organization, in collaboration with UNGC participants, pursues an inclusive and sustainable global economy for the benefit of all people, communities and markets.

We are playing an active role in discussions within the German automotive industry regarding the national human rights action plan launched by the federal government and are a member of the CSR/human rights working group established by the German Institute for Compliance. We are also involved in the corporate responsibility consortium of the Federal Association of the German Security and Defence Industry.

One of the focal points of our work in the Corporate Social Responsibility area is to evaluate the environmental and human-rights-related due diligence obligations of companies in their supply chains.

We procure goods and services from countries all over the world to manufacture our products. Due to the extensive and highly diverse product portfolio, some of the supply chains of the Rheinmetall Group are extremely complex, globally fragmented and also subject to constant change. In a company that has international production plants and sales activities in 139 countries in fiscal 2021, upholding environmental and human rights due diligence obligations is a major challenge connected with a significant responsibility.

We are aware of the environmental and social risks inherent in complex, international supply chains. They can range from the negative environmental impact of raw materials procurement all the way through to upholding social standards in countries with some problematic socio-political conditions. We are committed to meeting the growing regulatory requirements and increasing expectations of our stakeholders with respect to a sustainable value-added chain, but we face a range of challenges here. This is not least of all due to a lack of transparency, significant complexity of material flows and different targets among actors along the value-added chain.

The central Compliance Assessment & Monitoring Center of Competence uses a set of defined criteria to perform business partner reviews for new and existing suppliers, which also include CSR aspects such as human rights and environmental factors. In the event of any anomalies, the central area Corporate Social Responsibility is informed and then, in conjunction with the specialist department in question, checks and clarifies the issue identified.

We keep a close eye on regulatory developments in Germany and the European Union. The conclusion is that the methodical and objective evaluation of whether the respective due diligence obligations – including respect for environmental, employment and social standards as well as internationally recognized human rights – are complied with in the supply chain will become increasingly significant in the future. We too will have to improve the transparency of our suppliers' sustainability efforts if we want to manage the opportunities and risks in our supply chains in a more targeted way. After publication of the German Supply Chain Due Diligence Act in July 2021, the "Transparency in the Supply Chain" working group commenced activities.

The methodical, objective and reliable assessment in terms of sustainability across the very complex international supplier basis requires a Group-wide, standardized, system-supported process for recording and analyzing supplier information to assess the sustainability performance of our most important suppliers. In doing so, we will use the web-based platform of an internationally renowned service provider. In the process we want to increase not only the transparency of the sustainability performance of the individual suppliers, but also achieve more targeted management of the risks and opportunities in relation to sustainability in our supply chains. In a structured assessment process, on the basis of self-disclosure using a risk-based approach suppliers are requested to present their processes for securing the individual sustainability criteria, especially on environment, working conditions, human rights, fair working practices and sustainable procurement. In this way, suppliers which represent a risk can be identified more quickly and more reliably. The identified risks are then transferred into corresponding risk-mitigating action plans. On the basis of the results obtained here, further measures are defined.

In 2020, the critical materials used by the Rheinmetall Group were compiled into a matrix. We also identified potential environmental and social risks in the countries where key raw materials that we use for our business activities are extracted. The results of this preliminary analysis were validated in fiscal 2021 by a recognized external service provider, who will consider specific data.

People

Social Indicators

Data protection

Data protection is a high priority for Rheinmetall. We handle the collection, storage and use of data responsibly.

The Executive Board is responsible for setting up a Group-wide data protection management system. Within the compliance organization, the structures required for the Group-wide implementation of legal data protection requirements were established and an effective data protection management system (DPMS) was introduced. The Corporate Data Privacy Officer manages the data privacy officers at the five company divisions, liaises with them to manage the implementation of the DPMS and further develops the DPMS where required. He reports regularly to the Chief Compliance Officer and, where required, to the Executive Board and Supervisory Board directly. At the start of fiscal 2022, the data protection organization was strengthened with two functions: In January, the Data Privacy Officer responsible for the Rheinmetall holding company and the Corporate Data Protection Officer started their work.

Data protection management relates to the organizational setup and processes required to safeguard the implementation of legal requirements involved in the planning, organization, management and shutdown of automated or data-protection-compliant personal data processing operations.

The Rheinmetall Group companies that process personal data or arrange to have it processed are responsible for ensuring that the procedures in place for processing this personal data function reliably and appropriately. To ensure effective implementation of data protection requirements, the DPMS sets out the possibilities and limitations for allocation and responsibilities for processes and requirements.

The companies of the Rheinmetall Group take a variety of steps to ensure the protection of personal data. The DPMS contains standards for data-protection-related processes. In the Rheinmetall Group, the implementation of data protection requirements for the global handling of personal data is regulated by the data protection rules and specified further by the data protection manual on the DPMS for the EU/EEA jurisdiction. Control processes and documentation requirements for the findings of data-protection-related processes and controls are also being implemented. In the year under review, data protection management software was introduced, which can be used for tasks such as creating processing registers and managing data protection and compliance risks. In this context, around 130 departments were incorporated and more than 170 users were trained in using the management tool.

Cyber Security

Like any other multinational company, Rheinmetall is at constant risk of cyber attacks and risks resulting from industrial espionage or sabotage. The risks, especially those resulting from cyber attacks, have intensified as a result of the conflict in Eastern Europe. We are unable to fully ensure that the personnel, organizational, electronic, structural and technical precautionary/security measures that we implement to protect confidential commercial information, data and material as well as our own intellectual property are sufficient and successful. Incidents can have a negative impact on our reputation, competitiveness or business situation, which is why it is important for us to raise awareness among our employees about the careful handling of all business-related information. Audits and the implementation of corresponding awareness measures are therefore essential.

Product responsibility

Specialist working groups in the divisions deal, for example, with safety and environmental standards for Rheinmetall products. They are responsible for tracking new regulations and developments, defining and implementing the required internal processes and conducting relevant training. Products in civilian business are subjected to extensive testing in accordance with the regulations prescribed by automotive quality and development standards. The Sensors and Actuators division, for example, uses a database-supported process for product safety management, which maps out the entire product lifecycle. The Materials and Trade division uses special design and simulation tools. To prove product safety, in addition to tests carried out in testing facilities outside the engine, engine operation tests are also carried out with customers under various stress scenarios. Internal and external audits are carried out to regularly monitor compliance with the parameters of the quality management system and the relevant processes. In the third quarter of 2020, the Corporate Research & Technology Defence area introduced a new guideline for implementing product safety that applies to the divisions operating in security technology. It sets out the basic requirements for ensuring the safety of Defence products in line with common standards and methods.

In the past year, Rheinmetall Technology Management also dealt with developments regarding the digital product pass at the level of Germany (German Environment Agency: Product Information 4.0) and the European Union (Sustainable Product Initiative and Incubation Forum for Circular Economy in European Defence). This is particularly intended to advance the circular economy. It compiles information on a product's components, materials and chemical substances, as well as its reparability, replacement parts and proper disposal. Environmental data are thus grouped together in a comparable format, making it easier for the players in the value and supply chain to work toward a circular economy.

In the Materials and Trade division, the St. Leon-Rot and Papenburg locations are working intensively on the materials portfolio to replace substances containing lead. In order to implement environmentally friendly solutions, new lead-free materials such as EASECAST® were developed in the area of continuous casting, which have a similar performance and properties to materials containing lead.

Quality management | Certifications | ISO 9001, IATF 16949, AQAP 2110/2210

		2021	2020	2019
Coverage workforce	Percent	93	91	91
Total workforce				

PLANET 34

Planet

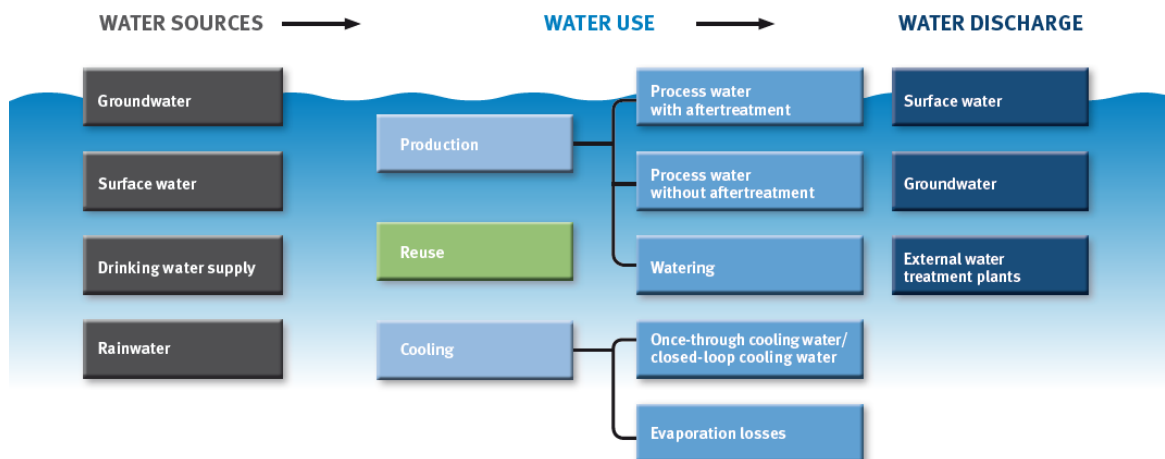
Environmental Indicators

Business activities and, in particular, production processes are associated with the consumption of natural resources. From our perspective, environmental protection and conservation play a major role in ensuring we have a sustainable future that is worth living.

The careful use of natural resources is part of how the Rheinmetall Group views itself. Using raw materials and energy economically and avoiding environmental damage in business and production processes are also among the key foundations on which the Group companies' business activities are based, as is dealing with residual materials and emissions responsibly. It is of key importance here that environmental protection – in keeping with a holistic approach – is considered an integral part of our management system in the Rheinmetall companies.

Water management

Responsible use of water is an integral part of our commitment to sustainability.



The water consumption of the Rheinmetall locations was 3,591,460 m³ in fiscal 2021 (previous year: 3,376,984 m³). In the period from 2016 to 2021, water consumption was reduced by around 22%. On the basis of the 2020 figures, we set ourselves the target of reducing water use by a further 10% in the 2021/2022 years.

In the year under review, a risk analysis in line with the Aqueduct Water Risk Atlas of the World Resource Institute (WRI) was implemented for certain of our companies in Germany, Switzerland, the Czech Republic, Mexico and Brazil. This is a publicly accessible global online database with indicators for water risks at local level and a global standard for measuring and reporting geographic water risks. Subsequently there was a more in-depth risk analysis for 130 production sites on the basis of data records of a renowned specialized service provider. This analysis includes the water scarcity indicator. According to this locations in India, China, South Africa, Mexico and Italy have an elevated risk exposure.

The three production sites in Germany, Switzerland and South Africa, which require huge amounts of water to manufacture products, have all found individual solutions tailored to the circumstances and challenges of the specific locations.

Nitrochemie Aschau GmbH in Germany sources the water required for production from the Inn River. After undergoing purification, the water is fed through a process water extraction plant into the water pipes of the production buildings. After it has been used, the wastewater is purified in a complex purification process, which neutralizes the wastewater and biodegrades the pollutants. The purified water is then returned to the Inn.

Nitrochemie Wimmis AG in Switzerland uses three groundwater wells for its water supply. The water is pumped through a pumping station and the reservoir to the buildings where it is required for production. The wastewater is drained away via two channels. Part of the wastewater is fed through a collecting pipe to the regional wastewater treatment plant for the local communities, where it is purified, and the rest of the wastewater remains at the company. It is purified in a multistage process before being discharged into the Kander River, which flows right by the company's premises. Just like with Nitrochemie Aschau, the quality of the returned water is so high thanks to the thorough purification that it does not alter the Kander River's composition.

The Rheinmetall Denel Munition (RDM) plant in Somerset West, South Africa, is located in a region that has suffered repeatedly from droughts in recent years. RDM takes urban wastewater and purifies it in a multistage process to produce water of drinking water quality. This happens at a water treatment plant, which uses reverse osmosis – where the wastewater is pressed through a membrane – to separate out even the finest impurities. Instead of procuring freshwater, RDM can use the water it has purified itself for production. The wastewater produced is then purified again, before being released into the nearby ocean in line with official permits.

Planet

Environmental Indicators

Water consumption GRI 303-5

		2021	2020	2019
Fresh water	m³	3.591.460	3.246.497	3.689.791

Water consumption (fresh water) | by regions

		2021	2020	2019
Germany	m³	693.409	677.497	895.988
	Percent	19	21	25
Europe excluding Germany	m³	1.481.419	1.442.438	1.702.680
	Percent	41	44	46
Americas	m³	369.677	319.029	375.214
	Percent	10	10	10
Asia	m³	106.639	101.099	115.893
	Percent	3	3	3
Rest of world	m³	940.316	706.434	600.016
	Percent	26	22	16
Rheinmetall Group	m³	3.591.460	3.246.497	3.689.791
	Percent	100	100	100

Wastewater GRI 303-4

		2021	2020	2019
Wastewater	m³	1.334.096	1.482.824	1.416.974

Waste management

In all our production processes, we strive to be efficient in our use of materials. We prevent, reduce or recycle waste or dispose of it in a safe and environmentally friendly way. We aim to keep disposal quantities to as low a level as possible. Production- and material-related recycling takes place individually based on the requirements of the specific site. This entails waste separation, secure disposal methods and economically viable recycling processes. Waste quantities and recycling methods are also impacted by production quantities and renovation work in buildings and on business premises. In the year under review, the amount of waste generated across the Group was 63,140 t, compared with 57,648 t the year before.

Volume of waste

GRI 306-2

		2021	2020	2019
Non-hazardous waste for disposal	t	5.203	5.355	6.578
Non-hazardous waste for recycling (excluding scrap)	t	16.638	15.857	18.289
Scrap for recycling	t	28.486	24.574	35.348
Hazardous waste for disposal	t	6.086	5.615	6.709
Hazardous waste for recycling	t	6.727	6.247	8.022
Rheinmetall Group	t	63.140	57.648	74.946

Volume of waste | by regions

		2021	2020	2019
Germany	t	33.962	28.586	35.789
	Percent	53	49	48
Europe excluding Germany	t	12.848	13.702	15.903
	Percent	20	24	21
Americas	t	11.546	11.604	19.765
	Percent	19	20	26
Asia	t	2.898	2.200	2.665
	Percent	5	4	4
Rest of world	t	1.886	1.556	824
	Percent	3	3	1
Rheinmetall Group	t	63.140	57.648	74.946
	Percent	100	100	100

Planet

Environmental Indicators

Energy management

We need a sufficient energy supply, which is associated with corresponding CO₂ emissions, to manufacture our products and operate our buildings and infrastructure. The reduction of energy-related payments is therefore a key component of corporate policy in the Rheinmetall Group. It is a material objective for us to reduce energy consumption and increase energy efficiency as far as possible through stringent processes in day-to-day operations within the context of that which is technically feasible and economic circumstances. Our responsibility in dealing with energy resources requires the achievement and review of specific targets for energy savings and improvements in energy efficiency, where it is technically and organizationally feasible and where it makes economic sense, in addition to the systematic determination, analysis and measurement of the energy aspects of significance for our business models.

We select our energy resources based on supply reliability, economic efficiency and environmental considerations, and use a mix of non-renewable and renewable energies during our everyday business. We currently use green electricity within the scope of how much is fed to us by our selected suppliers. In terms of non-renewable primary energy sources, we use natural gas, district heating and coal as well as a smaller proportion of heating oil, diesel and liquefied natural gas (roughly 6.1% altogether). At Rheinmetall, atmospheric emissions are mainly produced by the combustion of primary energy sources such as gas and oil. They are used to generate the electricity, steam and auxiliary energy (such as heat and cold) required to manufacture our products. Emissions are also produced by other sources such as our vehicle fleet.

Across the Group, we calculate our greenhouse gas emissions based on the internationally recognized Greenhouse Gas Protocol. It distinguishes between three categories of emissions. At our locations, direct emissions into the air (Scope 1) arise from the combustion of fossil energy sources, particularly natural gas. Indirect emissions (Scope 2) cover all emissions that are associated with purchased energy, such as electricity. Scope 3 emissions are indirect upstream and downstream emissions that occur in the value-added chain. They are linked, for example, to the procurement of goods and services, the manufacturing of products, production processes, and transport and logistics. We will prepare the reporting of emissions under Scope 3 in several phases over the next few years.

The continual reduction of energy consumption is a challenge for the Rheinmetall Group companies as well. Between 2016 and 2021, the Rheinmetall Group's energy consumption was lowered by 6.5%; energy intensity (MWh/€ million in sales) fell by 15.2% in the same period, while the intensity of greenhouse gas emissions recorded under Scope 1 and Scope 2 (tCO₂e/€

Climate change

The great tasks of today include containing climate change as far as possible and achieving an alignment to its consequences and impact. As a company with a sense of responsibility and with a global value added chain, Rheinmetall attaches great significance to this global challenge. The core of the matter is avoidance, reduction, substitution and compensation of the CO₂ emissions produced by the Rheinmetall Group in Scopes 1, 2 and 3 in line with the Greenhouse Gas Protocol. For its targets, Rheinmetall aligns itself to the Paris Climate Agreement which envisages limiting global warming to below 2°C, or even better to 1.5°C, compared with the pre-industrial era.

To ensure that the Rheinmetall climate targets make an effective contribution, after intensive preliminary work in the year under review – especially on the initial assessment of the 15 Scope 3 sub-categories – it was decided to join the internationally recognized Science Based Targets initiative (SBTi), a partnership project between the CDP, the UN Global Compact, the World Resources Institute and the WWF, in the first quarter of 2022. SBTi provides companies with methods with which they can set science-based CO₂ reduction targets. The criteria give particular consideration to the different stages of a company's value-added chain.

By December 2023, a roadmap for reaching the targets will have been prepared. As reported on various occasions, Rheinmetall also sets itself ambitious CO₂ reduction targets for its business activities. We are striving to cut our production of climate-damaging CO₂ emissions to zero by 2035. In the first phase we refer to our own emissions (Scope 1) and energy supplier emissions (Scope 2). To do this the company will invest primarily in improving the energy efficiency of its locations and production facilities and develop and expand internal power generation from renewable sources. For example, in the medium to long term, the CO₂ emissions in Scope 3 are also to be reduced. This is where the large part of Rheinmetall's carbon footprint originates – why is also why it is the biggest lever for reducing emissions. This task is a very complex one. Nevertheless, Rheinmetall is approaching these challenges systematically and in this area will also set a target in line with the methodology of the Science Based Targets Initiative.

To obtain an initial assessment of the dimension of the CO₂e in Scope 3 which relates to us, in the year under review on the basis of data from fiscal 2020 an analysis was made of eight upstream and seven downstream categories in line with the Greenhouse Gas Protocol in the fields 3.1 (Purchased goods and services), 3.2 (Capital goods), 3.3 (Fuel- and energy-related activities), 3.4 (Upstream transportation and distribution), 3.5 (Waste generated in operations), 3.6 (Business travel), 3.7 (Employee commuting), 3.9 (Transport and distribution of sold products) and 3.10 (Processing of sold products). This showed that approximately 90% of our entire CO₂e falls under Scope 3.

Energy consumption | by source

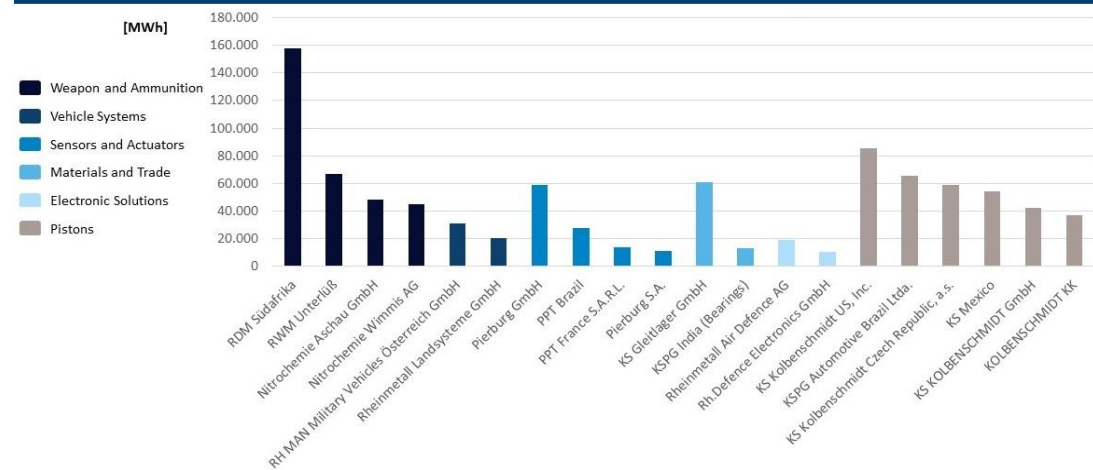
GRI 302-1

		2021	2020	2019
Electricity (procured)	MWh	498.977	459.831	517.477
District heating	MWh	71.668	64.485	69.854
Heating oil	MWh	37.374	33.358	32.346
Diesel	MWh	10.487	12.493	15.102
Natural gas	MWh	211.017	194.601	212.139
Coal	MWh	115.824	89.694	89.169
Petrol	MWh	247	—	—
Liquid gas	MWh	13.442	16.554	16.952
Renewable energies	MWh	41.232	30.260	30.172
Rheinmetall Group	MWh	1.000.268	901.276	983.211

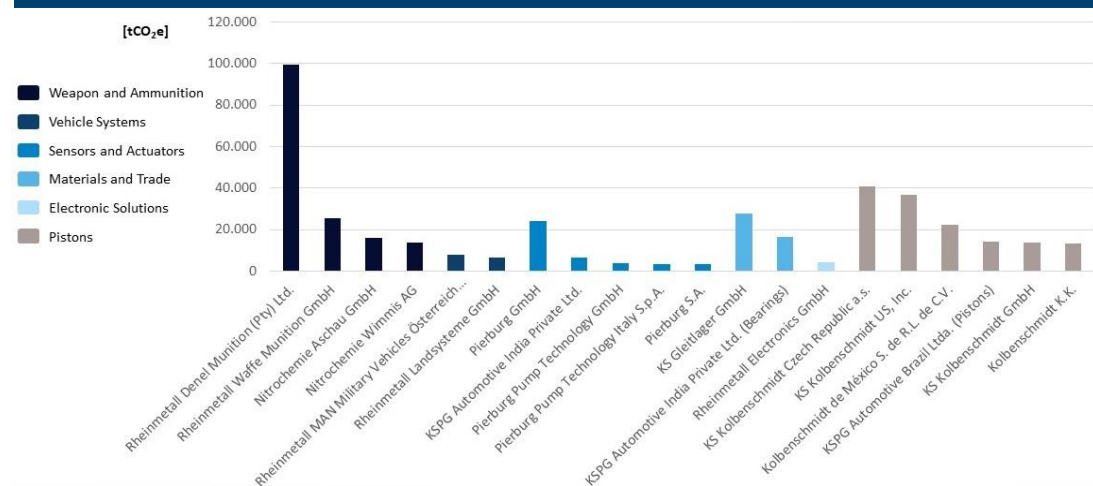
Planet

Environmental Indicators

Energy consumption | Top 20 companies | 2021



CO₂ Emissions | Top 20 companies | 2021



Energy consumption | by region

		2021	2020	2019
Germany	MWh	329.597	296.607	331.500
	Percent	33	33	34
Europe excluding Germany	MWh	227.410	223.279	241.102
	Percent	23	25	25
Americas	MWh	226.572	202.877	221.684
	Percent	23	22	22
Asia	MWh	55.018	50.111	60.436
	Percent	5	6	6
Rest of world	MWh	161.671	128.402	128.489
	Percent	16	14	13
Rheinmetall Group	MWh	1.000.268	901.276	983.211
	Percent	100	100	100

Energy intensity**GRI 302-3**

		2021	2020	2019
Intensity	MWh/ € million sales	161,9	153,4	157,2

Company fleet

		2021	2020	2019
Vehicles Diesel fuel	Number	—	—	—
Vehicles Gasoline fuel	Number	—	—	—
Vehicles Premium fuel	Number	—	—	—
Rheinmetall Group	Number	940	961	971

Company fleet | Fuel consumption

		2021	2020	2019
Diesel	Liter	1.470.551	1.726.866	1.910.907
Gasoline	Liter	213.125	341.935	329.769
Premium	Liter	39.804	51.946	36.003
Rheinmetall Group	Liter	1.723.480	2.120.747	2.276.679

Direct greenhouse gas emissions | Scope 1

		2021	2020	2019
Vehicles Diesel fuel	tCO ₂ e	8.743	9.962	11.306
Vehicles Gasoline fuel	tCO ₂ e	1.117	1.739	1.723
Rheinmetall Group	tCO ₂ e	9.860	11.701	13.029

Direct greenhouse gas emissions | Scope 1**GRI 305-1**

		2021	2020	2019
Heating oil	tCO ₂ e	11.615	10.346	10.046
Diesel	tCO ₂ e	3.286	3.905	4.727
Natural gas	tCO ₂ e	57.414	52.391	57.180
Coal	tCO ₂ e	57.586	44.598	44.388
Liquid gas	tCO ₂ e	4.266	5.188	5.318
Rheinmetall Group	tCO ₂ e	134.167	116.428	121.659

Planet

Environmental Indicators

Indirect greenhouse gas emissions | Scope 2 GRI 305-2

		2021	2020	2019
Electricity (procured)	tCO ₂ e	282.507	270.507	316.984
District heating (procured)	tCO ₂ e	12.411	11.769	13.045
Steam (procured)	tCO ₂ e	11.812	—	—
Rheinmetall Group	tCO ₂ e	306.730	282.276	330.029

Greenhouse gas emissions | Scope 1 and Scope 2 GRI 305-4

		2021	2020	2019
Intensity	tCO ₂ e/ € million sales	66,5	67,9	72,2

Other indirect greenhouse gas emissions | Scope 3 GRI 305-3

		2021	2020	2019
Air travel	million km	23	32	62
	tCO ₂ e	3.609	5.363	7.987

Other indirect greenhouse gas emissions | Scope 3 GRI 305-3

		2021	2020	2019
Rental cars	km	5.473.054	4.751.215	—
	tCO ₂ e	694	634	—

Renewable energy

		2021	2020	2019
Total electricity consumption	MWh	498.977	459.831	517.477
Renewable energy	MWh	185.467	171.774	178.308
Share of renewable energies	Percent	37,1	37,1	34,5

Renewable energy | Heating system

Photovoltaic	Number	1
Geothermal energy	Number	1
Cogeneration plant in operation	Number	1
Cogeneration plant in implementation	Number	1

Renewable energy | Share in electricity mix

		2021*	2020	2019
Australia	Percent	22	22	17
Austria	Percent	80	80	77
Brazil	Percent	84	84	82
Canada	Percent	68	68	66
China	Percent	28	28	27
Czech Republic	Percent	13	13	12
France	Percent	24	24	20
Germany	Percent	44	44	40
India	Percent	20	20	21
Italy	Percent	42	42	40
Japan	Percent	19	19	19
Lithuania	Percent	54	54	73
Mexico	Percent	19	19	17
Netherlands	Percent	26	26	18
Norway	Percent	99	99	98
Poland	Percent	18	18	15
Singapore	Percent	2	2	2
South Africa	Percent	5	5	5
Spain	Percent	44	44	37
Switzerland	Percent	62	62	60
Turkey	Percent	42	42	44
United Arab Emirates	Percent	2	2	2
United Kingdom	Percent	43	43	37
United States	Percent	20	20	17

IEA World Energy Balances Highlights (2021 Edition) / Electricity Output by renewable sources (Download: 3/18/2022)

*Data adopted from 2020 for 2021, as not yet available.

Renewable energy | Share of total energy consumption

		2021	2020	2019
Total energy consumption	MWh	1.000.268	901.276	983.211
Electricity from renewable energies	MWh	185.467	171.774	178.308
Other renewable energy sources	MWh	41.232	30.260	30.172
Share of energy from renewable energy sources	Percent	19	19	21

Environmental management | Certifications | ISO 14001

		2021	2020	2019
Coverage workforce	Percent	84	87	85
Total workforce				

Energy management | Certifications | ISO 50001

		2021	2020	2019
Coverage Workforce	Percent	29	35	34
Total workforce				

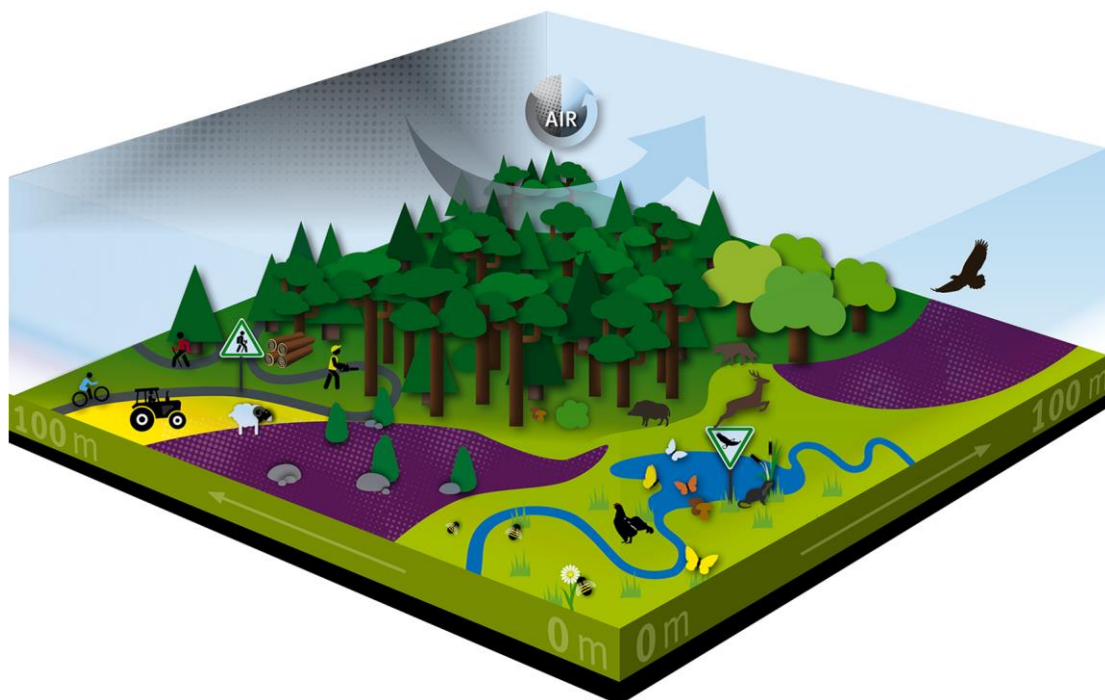
Planet

Biodiversity Indicators

Our responsibility also includes preserving the diversity of natural habitats, especially for future generations. We are convinced that industrial use does not have to conflict with active conservation. On the contrary: For over a hundred years Rheinmetall has tested some of its military products on heathland near Unterlöss, not far from Celle, in Lower Saxony. A far-reaching prohibition order for the public, no traditional agricultural use and the size of the sprawling areas make this company-owned, 55-square-kilometer site, which encompasses 3,400 hectares of forest and 800 hectares of heathland, in an otherwise relatively densely populated Germany a rather special nature reserve. Active landscaping and forestry management creates individual habitats for the unique fauna and flora. The result is an unusually rich array of flora, which in turn attracts a rare diversity of insects and birds and also provides a habitat for large wild animal populations.

Our South African subsidiary Rheinmetall Denel Munition is also engaged in protecting nature and species at risk of extinction at three of its four production sites. Similar to in Unterlöss, large, demarcated safety areas far from residential areas enable rare animals to expand their habitats unimpeded. We develop partnerships locally to preserve these conservation areas along with their great biodiversity and rare species.

For biodiversity and climate protection, peatlands are very important. In 2019, dehydrated moor soil emitted approximately 53 million tonnes of carbon dioxide equivalent, almost 7% of all greenhouse gas emissions in Germany. For this reason, with its 2030 Climate Protection Program, the German government decided that improved moorland protection and the reduction of peat use are important measures for achieving the climate protection targets. In addition, in September 2021, the Federal Ministry for the Environment published a National Peatland Strategy which includes voluntary rewetting measures. Wetlands and peatlands serve as the habitat for highly specialized animal and plant species whose alignment to the environment have made them rare and endangered. With their water absorption capacity, the moorlands fulfill important functions in regulating temperature and moisture. In the year under review, together with the relevant authorities, the Rheinmetall Forestry Management examined conditions for potential rewetting of moorland on company land in Unterlöss.





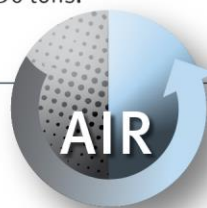
137t OF CO₂ CAPTURE/ha

When wood regrows, large quantities of CO₂ are captured. Fojana covers 3,300 hectares of woodland and captures a total of 452,272 tons of CO₂ annually. More than 137 tons of CO₂ are captured per hectare.



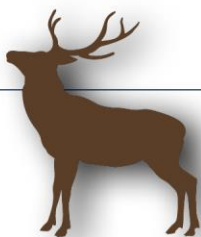
30t OF O₂/ha

One hectare of deciduous woodland releases 15 tons of oxygen per year; one hectare of coniferous woodland – a common sight in Fojana – releases as much as 30 tons.



UP TO 50m³ OF SOOT AND DUST

Fojana acts like an air purifier. Woodland filters huge quantities of soot and dust. Covering 3,300 hectares, Fojana can filter up to 50 tons per year and thus makes a major contribution toward keeping the air clean.



BALANCED HUNTING

Around 300 red deer, fallow deer, roe deer and wild boar are shot in Fojana every year. Managed hunting is an important conservation tool and helps to maintain the ecological balance.



1,500 m³ OF GROUNDWATER FORMATION/ha

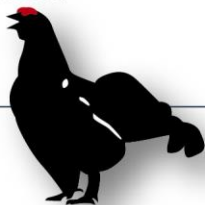
One hectare of woodland contributes around 1,500 m³ to groundwater formation every year. This figure fluctuates depending on the rainfall, relief, geology, topography, soil and tree species.

Planet

Biodiversity Indicators

AMAZING BIODIVERSITY

Fojana is home to 1,120 species of butterflies, both large (macrolepidoptera) and small (microlepidoptera). The southern part of Fojana in particular is teeming with butterflies. In addition to the butterflies, the heathland, woodland, moorland, streams and reservoir are home to around 700 bee colonies, dragonflies and heath bush-crickets.



PROTECTION OF RARE SPECIES

Fojana is home to a total of 33 species that are threatened with extinction and 55 highly endangered species. Black grouse, for example, can otherwise be found more or less only in the vast expanses of Scandinavia. Around one fifth of the German population north of the Alps lives here in Fojana.

70 ha OF LOCAL PUBLIC RECREATION AREA

Rheinmetall Defence is making 70 hectares of heathland available for tourism. The Ellerndorfer Wacholderheide is a local public recreation area where you can go walking and enjoy the kind of ancient landscape that you so rarely see these days.

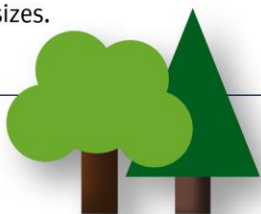


LARGE-SCALE NATURE CONSERVATION

Around 30% of the artillery range is protected by conservation law. Large parts belong to Natura 2000 – an EU-wide network of protected areas for the conservation of endangered or representative habitats and species.

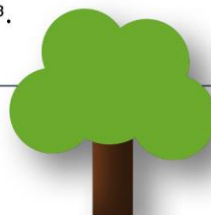
900 ha OF HEATHLAND

Fojana comprises one of the largest connected heather regions in Western Europe. *Calluna vulgaris*, or common heather, makes up around 80% of the area. The related species known as bell heather can also be found there, as well as large areas of juniper heath. Embedded in the heathland, the impressive juniper bushes, some of which are more than a hundred years old, thrive in an unbelievable variety of shapes and sizes.



AROUND 150 m³ OF TIMBER STOCK/ha

Fojana has a total timber stock of around 503,000 m³, so around 150 m³ per hectare. And this figure is growing all the time: The total timber stock in Fojana is increasing annually by around 17,750 m³.



TREES IN THEIR NATURAL HABITAT

In Fojana, the woodland and neighboring forest fringes are left to grow naturally – a refuge that is home to impressive ancient populations of oak trees, beech trees and alder trees. The concept also includes natural areas of deadwood.



AROUND 5.3 m³ OF CERTIFIED TIMBER/ha

The forest is also used for commercial purposes. It yields a total of around 17,750 m³ of high-quality, PEFC-certified timber every year, primarily for the construction industry.

85%

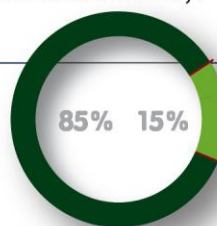
CONIFERS

69% Pine
9% Spruce
4% Douglas fir
3% Larch

15%

DECIDUOUS

3% Beech
2% Oak
10% Other
hardwood



Planet

Biodiversity Indicators



WELLINGTON



CAPE MOUNTAIN ZEBRA

Wellington site is playing its part on conservation of this species as they currently own 30 species of Cape Mountain Zebra. It is the smallest zebra and stands around 47 inches high. Its stripes are broad, with a pure white body underneath.



BABOONS

Opportunistic eaters and, fond of crops, they have become destructive pests to many African farmers. They eat fruits, grasses, seeds, bark, and roots, but also have a taste for meat. They eat birds, rodents, and even the young of larger animals, such as antelopes and sheep.



CAPE LEOPARDS

Within the habitat of the Cape Leopard and the conservation area of the Cape Leopard Trust falls Wellington site. Apart from being beautiful creatures that epitomise the wilderness, they are also the top predator at the premises.



KUDU

These animals are highly alert and notoriously hard to approach. When they detect danger – often using their large, radar-like ears – they give a hoarse alarm bark, then flee with a distinctive, rocking-horse running motion, the male laying back his horns to avoid overhead obstructions.



BIRDS

Wellington site is rich in bird life. According to Tygerberg Bird Club Survey that was conducted in February 2012, there is 143 bird species on site. The protected area is home to six pairs of the Blue Crane, which is South Africa's national bird.



TORTOISES

The geometric tortoise is found in the Kalahari Desert and Cape Province of South Africa, and it is one of the rarest tortoise species in the world. It is endemic to the winter rainfall of the Western region. It has a very strong, black and yellow patterned carapace, used for defense against predators. The patterns are arranged in ray-like markings and help the tortoise blend in with its environment.

BOSKOP



BLACK WILDEBEEST

Wildebeest are large African antelopes and belong to the Bovidae family. The word wildebeest comes from the local Afrikaans language and translates to wild beast.

South Africa boasts two species of wildebeest: the black and the blue wildebeest. The most notable differences between the two are their horns, size, color and habitat.



GIRAFFE

The tallest living terrestrial animals and the largest ruminants, which is classified by the International Union for Conservation of Nature (IUCN) as vulnerable to extinction, and has been extirpated from many parts of its former range.



ORYX

These were traditionally in the western and northern part of South Africa, which is in the Western Cape, Northern Cape and North-West. They can live for days without drinking water.



REPTILES

The Puff Adder is a venomous viper snake that is found in African grasslands and savannah. It is considered most responsible for the majority of snakebite fatalities in Africa and is classified as the most dangerous snake in Africa.



OSTRICH

When threatened, an ostrich will either hide itself by lying flat against the ground, or run away. If cornered, it can attack with a kick of its powerful legs. There is one ostrich on site.

SOMERSET WEST



BONTEBOK

Endangered, this antelope species became extinct in most of its range in the 1800s. At Somerset West site, 20 Bonteboks have been tagged to identify the purity of their bloodstream, as there has been cross breeding with other antelope species in the past, like the Blesbok that looks very similar.



BLUE CRANES

He is South Africa's national bird. Endemic to Southern Africa, it is the world's most range-restricted crane. Strong populations are found in the Overberg region in the Western Cape, the Eastern Cape and western KwaZulu-Natal, and in southern parts of Mpumalanga.



PORCUPINE

These are naturally occurring in the area. They are not as problematic as some other wild animals and, in most cases, provide a natural tree pruning service that keeps a forest stand healthier.



SPRINGBOK

The springbok is the national animal of South Africa. It is one of the few antelope species considered to have an expanding population. 130 springbok have been observed in this conservation area.



CAPE ELAND

The Cape Eland is the largest African bovid, but the slowest antelope. They are great jumpers, despite their huge size, and can clear a two-metre fence with ease.



CARACALS/ROOIKATS

They are the largest carnivore on the Cape Peninsula, though outside of Cape Town, there are leopards which are considerably larger than the caracal. On site, caracals are the primary predators, preying on small antelopes, birds and rodents.

Planet

Biodiversity Indicators



WELLINGTON



Wellington site, located in the Western Cape province, is surrounded by the mountains and uplands of the Cape Floristic Region, which are distributed throughout the region.

In this considerably nature reserve, three unique vegetation types can be found: Swartland Shale Renoster-veld, Swartland Alluvium Fynbos and Hawequas Sandstone Fynbos.



The topography is impressive since the mountains rise very steeply from the adjacent lowlands. The nonperennial Kompagnies River flows from the mountain and runs within the site. It is the source of water to some of the wild animals.



To date there are 350 plant species that have been identified in partnership with the South African National Biodiversity Institute (SANBI) and the Custodians of Rare and Endangered Wildflowers (CREW).

BOSKOP



Situated in the North-West province of South Africa, the Boskop site provides a habitat to different animal species. The original natural vegetation is the Rand Highveld Grassland and the Gauteng Shale Mountain Bushveld. The majority of the property falls within the former Rand Highveld Grassland.

Rand Highveld Grassland

This vegetation type occurs on a highly variable landscape with extensive sloping plains and a series of ridges



slightly elevated over undulating surrounding plains. The vegetation is species-rich, wiry, sour grassland alternating with low, sour shrub land on rocky outcrops and steep slopes. Almost half has been transformed mostly by cultivation, plantations, urbanisation or dam-building.

GAUTENG SHALE MOUNTAIN BUSHVELD

Considered vulnerable, it occurs on low broken ridges varying in steepness and generally with a high surface rock cover.



SOMERSET WEST



Somerset West site, situated in the Western Cape province of South Africa, provides a habitat to different animal species. The presence of wildlife is an effective way to assess the quality of the environment and creates an enjoyable working environment. The original natural vegetation at Somerset West site is the Cape Flats Dune Strandveld with a portion to the northern boundary being Cape Flats Sand Fynbos.

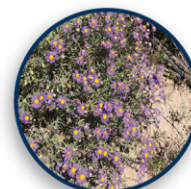
Cape Flats Dune Strandveld

Strandveld means “beach scrub” in the local Afrikaans language. It covers and stabilizes sand dunes on the beaches around Cape Town, and is incredibly colorful in spring when it bursts into flower. There is a large number of animals that feed on the leaves and/or soft shoots of this type of vegetation.

Cape Flats Sand Fynbos

The fynbos constitutes about 80% of the Cape floral kingdom. Of the more than 8,500 fynbos species, nearly 6,000 of them are endemic. 1,700 fynbos plant species are threatened with extinction. It is a critically endangered

vegetation type that occurs only within the city of Cape Town.



Coastal Environment

Somerset West site borders on the eastern shoreline of False Bay within the Helderberg Marine Protected Area (MPA). A MPA is an area of coastline or ocean that is specially protected for the benefit of people and nature. MPAs help manage part of the marine environment to promote fisheries sustainability, keep marine ecosystems working properly, and protect the range of species living there, helping people to benefit from the ocean. In South Africa, MPAs are declared through the National Environmental Management: Protected Areas Act.

Shoreline

It consists of approximately 25% rocky shore, 40% sandy beach, and 30% mixed shore (sand on the upper shore, above a wave-cut rocky platform). Rocky shores comprise approximately 25% within False Bay. The coastline at the Somerset West premises is a restricted area and not accessible for public due to the safety circles and National Key Point regulations.



63 GOVERNANCE

Governance

Rheinmetall AG has traditionally been committed to a responsible, fair and reliable corporate policy that is geared towards the use and expansion of entrepreneurial potential, achieving medium-term financial targets and increasing the value of the company on a systematic and sustainable basis.

The law on stock corporations, capital market law and the right of co-determination, the company's Articles of Association and the German Corporate Governance Code, which is based on internationally recognized standards, form the basis for the organization of management and monitoring at the company, with the aim of making structures transparent and thus strengthening the trust of national and international investors, business partners, analysts, media, employees and the public in Rheinmetall AG's business policy, management and supervision and securing it in the long term.

Effective corporate governance with the safeguarding of stakeholder interests, early reporting, proper accounting and efficient cooperation between the Executive Board and the Supervisory Board is a high priority in the Rheinmetall Group. The Rheinmetall Group attaches great importance to effective corporate governance, including early reporting, proper accounting and efficient cooperation between the Executive Board and the Supervisory Board based on trust.

Structure of the Rheinmetall Group

The Rheinmetall Group comprises Rheinmetall Aktiengesellschaft, a listed stock corporation established under the laws of Germany and entered in the commercial register of the District Court of Düsseldorf under the number HRB 39401, and its subsidiaries. The Articles of Association of the company were last amended on May 11, 2021.

Rheinmetall AG is the parent company of the Rheinmetall Group and has its registered office in Düsseldorf, Germany, at the Group headquarters. As the management holding company, it defines long-term strategic orientation and corporate policy of the Rheinmetall Group. It also performs control and governance functions and provides services to the Group companies. Its most important tasks include specifying targets and guidelines, optimizing the investment portfolio, central financing, risk management and filling management positions in the Group. Support and service functions, such as finances, HR, corporate communications, law, taxation, information technology, internal auditing, compliance, corporate social responsibility and mergers & acquisitions, are performed at Group level. Rheinmetall AG ensures that there is a Group-wide, standardized planning, control and management process in place, and within the context of the compliance management system it monitors the Group-wide implementation of laws, guidelines and regulations in accordance with a set of uniform criteria.

As a result of the strategic realignment of the company and its positioning as an integrated technology group, Rheinmetall adjusted the Group structure in February 2021. In this context, the previous organizational separation into the Automotive and Defence sectors was discontinued. The new structure comprises the five divisions of Vehicle Systems, Weapon and Ammunition, Electronic Solutions, Sensors and Actuators, and Materials and Trade. It aims in particular to promote the transfer of technology between the individual parts of the Group and encourage the focus on future-driven technologies and business areas with large potential for a sustained increase in value.

Articles of incorporation

	2021	2020	2019
Valid version	Date 11 May 2021	8 May 2018	8 May 2018

Governance

Supervisory Board

The Supervisory Board performs its activities in accordance with statutory provisions, the Articles of Association of Rheinmetall AG and its Rules of Procedure. The main contents of the Rules of Procedure, which are published on the company's website, concern the composition, tasks and responsibilities of the Supervisory Board, the convention, preparation and chairing of meetings, the rules pertaining to committees and quorum requirements. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board, chairs its meetings and represents the Board externally. Each year, he explains the activities of the Supervisory Board and its committees in the report of the Supervisory Board printed within the annual report and orally at the Annual General Meeting.

The Supervisory Board advises the Executive Board on the management of the company and monitors its management activities. The Chairman of the Supervisory Board is elected from among its members. Supervisory Board meetings are held in accordance with the provisions of the German Stock Corporation Act (AktG). As a general rule, four Supervisory Board meetings take place each calendar year, which are attended by members of the Executive Board unless otherwise stipulated by the Chairman of the Supervisory Board. Resolutions may be passed in writing, by telex (fax or e-mail) or by telephone. The Supervisory Board passes its resolutions by means of a simple majority of members participating in the passing of the resolution. In the event of a tied vote, the Chairman of the Supervisory Board has the casting vote.

Supervisory Board

	First appointed	Appointed until AGM	Membership in Supervisory board Chairman
Ulrich Grillo Vorsitzender des Aufsichtsrats	10.5.2016	2025	Audit committee Personnel committee Strategy committee Nomination committee Mediation committee
Prof. Dr. Dr. h.c. Sahin Albayrak	11.5.2021	2024	Strategy committee
Dr.-Ing. Dr.-Ing. E. h. Klaus Draeger	9.5.2017	2022	Strategy committee
Professor Dr. Andreas Georgi	10.6.2002	2022	Audit committee Personnel committee Mediation committee
Dr. Britta Giesen	11.5.2021	2024	Strategy committee
Professor Dr. Susanne Hannemann	15.5.2012	2022	Audit committee
Dr. Franz Josef Jung	9.5.2017	2022	Nomination committee
Klaus-Günter Vennemann	10.5.2016	2025	Nomination committee
Dr. Daniel Hay Stellvertretender Vorsitzender des Aufsichtsrats	7.5.2014	2022	Audit committee Personnel committee Strategy committee Mediation committee
Ralf Bolm	1.7.2020	2022	Audit committee
Dr. Michael Mielke	1.9.2010	2022	
Reinhard Müller	9.5.2017	2022	Personnel committee Mediation committee
Dagmar Muth	1.7.2015	2022	Strategy committee
Barbara Resch	1.7.2020	2022	
Markus Schaubel	1.7.2014	2022	Strategy committee
Sven Schmidt	1.7.2014	2022	Audit committee Strategy committee

As of 31 December 2021

Governance

Supervisory Board

Objectives for the composition of the Supervisory Board and competence profile

Taking account of the results of its efficiency examination and the recommendation and suggestions of the German Corporate Governance Code (GCGC) – as far as applicable – the Supervisory Board resolves the following objectives for its composition.

01

In view of the further internationalization and the increasing importance of the Group's strategic future markets (particularly Australia, Asia, USA), a candidate (m/f) with relevant experience in the future markets and in regulated markets should be nominated.

02

To supplement the experience in the overall responsibilities of managing a listed corporation and superordinate stakeholder management, a candidate (m/f) with executive board experience in a listed corporation should be nominated.

03

In view of the challenges faced as a result of increasing digitalization and the related customer requirements and to strengthen the industrial orientation of the digitalization competency, a candidate (m/f) with relevant experience in the area of digitalization / IT / Industry 4.0 should be nominated.

04

In the context of the pending nominations, the aim should be to achieve rolling staggered periods of office which promote an ongoing exchange as well as a transfer of experience in the overall committee.

05

For future candidate proposals, the requirements of Section 96 (2) AktG on the gender quotas as well as Section C.1 sentence 2 and C.6 ff of the GCGC on diversity and independence should be observed.

Competency Profile

Governance-specific requirements

Corporate governance, experience from Supervisory Board work	Experience in the overall governance of an independent, listed company Interaction in the Supervisory Board, content and legal requirements and best practice
Executive board experience in listed companies	Experience in the overall management of a listed company Knowledge in overarching stakeholder management
Independence	No personal or corporate conflicts of interest Perceived independence among the owners and period of office
Availability, number of mandates	Available in terms of time, location and interests Avoidance of overboarding

Structural / functional aspects

Financial / business competency (audit committee / risk management)	Financial / business knowledge, especially also for the audit committee Capital market knowledge, risk management, IR, M&A
Functional competency (human resources, social, etc.) (Mediation / Nomination Committee)	Covering the HR functions, successor regulations, talent management, legal, et. al. Knowledge in work with social partners, conflict management
Sales-and operating functions	Broad coverage of the functions sales, marketing, production, SCM, etc. Knowledge in the area of operating excellence

Strategic expertise

Defence industry competency	Experience in the defence industry, sales, technology and operations Knowledge of regulatory aspects
Automotive industry expertise	Experience in the automotive industry, sales, technology and operations Knowledge of relevant global market developments at OEMs and suppliers
Digitalization / IT	Experience in the digital transformation of industrial business models as well as innovation Knowledge of innovative "disruptive" technologies and business models in the relevant environment and IT
Technology expertise / innovation	Knowledge of overarching technical trends and developments in both industries Experience in commercializing technology developments
Knowledge on international / regulated markets	Knowledge of the relevant geographical markets / customer segments especially Northern America, Australia, Asia, and the investment situation as well as political and cultural aspects of both divisions
Industrial management experience	Management experience in relevant industrial company, ideally with a divisional structure Experience in overall corporate responsibility

Governance

Supervisory Board

Supervisory Board | Tenure

		2021
Shareholder representative	Number	8
1 - 3 years	Number	2
4 - 7 years	Number	4
8 - 10 years	Number	1
> 10 years	Number	1
Employee representatives	Number	8
1 - 3 years	Number	2
4 - 7 years	Number	5
8 - 10 years	Number	1
> 10 years	Number	—

Supervisory Board | Composition

		2021	2020	2019
Shareholder representative	Number	8	8	8
Employee representatives	Number	8	8	8
Trade union representatives	Number	2	2	2
Representatives of senior management	Number	1	1	1
Elected employee representatives	Number	5	5	5

Supervisory Board | Composition

GRI 102-22

		2021	2020	2019
Female members	Number	4	4	4
Male members	Number	12	12	12
Total	Number	16	16	16

Supervisory Board | Discharge

		2021	2020	2019
Valid votes cast	Number	25,099,766	20,568,484	29,551,082
Share of the capital stock represented hereby	Percent	57,62	47,22	67,84
Yes Votes	Percent	94,9	97,59	95,13

Supervisory Board | Age structure

GRI 405-1

		2021	2020	2019
< 30 years	Number	0	0	0
30 to 50 years	Number	3	3	2
> 50 years	Number	13	13	14
Average age	Years	58	58	59

Supervisory Board | Attendance Plenary

	2021	2020	2019
	Participation Meetings	Participation Meetings	Participation Meetings
Ulrich Grillo Chairman	11 11	8 8	5 5
Prof. Dr. Dr. h.c. Sahin Albayrak (since 11.5.2021)	5 5	—	—
Dr.-Ing. Dr.-Ing. E. h. Klaus Draeger	10 11	8 8	5 5
Professor Dr. Andreas Georgi	11 11	8 8	5 5
Dr. Britta Giesen (since 11.5.2021)	5 5	—	—
Professor Dr. Susanne Hannemann	11 11	8 8	5 5
Dr. Franz Josef Jung	11 11	8 8	5 5
Detlef Moog (until 11.5.2021)	6 6	8 8	5 5
Klaus-Günter Vennemann	11 11	8 8	5 5
Univ.-Prof. Dr. Marion A. Weissenberger-Eibl (until 11.05.2021)	5 6	6 8	4 5
Dr. Daniel Hay Deputy Chairman	11 11	8 8	4 5
Ralf Bolm	11 11	3 3	—
Dr. Michael Mielke	11 11	8 8	5 5
Reinhard Müller	11 11	8 8	5 5
Dagmar Muth	11 11	8 8	5 5
Barbara Resch	10 11	3 3	—
Markus Schaubel	11 11	8 8	5 5
Sven Schmidt	11 11	8 8	5 5

31.12.2021

Supervisory Board | Attendance Personnel Committee

	2021	2020	2019
	Participation Meetings	Participation Meetings	Participation Meetings
Ulrich Grillo (Chairman)	8 8	5 5	6 6
Professor Dr. Andreas Georgi	8 8	5 5	6 6
Dr. Daniel Hay	7 8	5 5	6 6
Reinhard Müller	8 8	3 3	—

As of 31 December 2021

Governance

Supervisory Board

Supervisory Board | Attendance Audit Committee

	2021	2020	2019
	Participation Meetings	Participation Meetings	Participation Meetings
Professor Dr. Andreas Georgi (Chairman)	6 6	5 5	6 6
Ulrich Grillo	6 6	5 5	6 6
Professor Dr. Susanne Hannemann	6 6	5 5	6 6
Ralf Bolm	6 6	2 3	—
Dr. Daniel Hay	5 6	3 3	—
Sven Schmidt	6 6	5 5	5 6

As of 31 December 2021

Supervisory Board | Attendance Strategy Committee

	2021	2020	2019
	Participation Meetings	Participation Meetings	Participation Meetings
Ulrich Grillo (Chairman)	2 2	2 2	2 2
Dr.-Ing. Dr.-Ing. E. h. Klaus Draeger	2 2	2 2	2 2
Detlef Moog (until 11.05.2021)	1 1	2 2	1 2
Prof. Dr. Dr. h.c. Sahin Albayrak (since 11.5.2021)	1 1	—	—
Dr. Britta Giesen (since 11.05.2021)	1 1	—	—
Dr. Daniel Hay	2 2	1 1	—
Dagmar Muth	2 2	1 2	2 2
Markus Schaubel	2 2	2 2	1 2
Sven Schmidt (since 11.5.2021)	1 1	—	—

As of 31 December 2021

Supervisory Board | Attendance Mediation Committee

	2021	2020	2019
	Participation Meetings	Participation Meetings	Participation Meetings
Ulrich Grillo (Chairman)	0 0	0 0	0 0
Univ.-Prof. Dr. Marion A. Weissenberger-Eibl (until 11.5.2021)	0 0	0 0	0 0
Professor Dr. Andreas Georgi (since 11.5.2021)	0 0	—	—
Dr. Daniel Hay	0 0	0 0	—
Reinhard Müller	0 0	0 0	0 0

As of 31 December 2021

Supervisory Board | Attendance Nomination Committee

	2021	2020	2019
	Participation Meetings	Participation Meetings	Participation Meetings
Ulrich Grillo (Chairman)	1 1	0 0	0 0
Dr. Franz Josef Jung	1 1	0 0	0 0
Klaus-Günter Vennemann	1 1	0 0	0 0

As of 31 December 2021

Supervisory Board | Remuneration

		2021	2020	2019
Shareholder representative	€	985.164	975.000	975.000
Fixed remuneration	€	720.438	720.000	720.000
Remuneration for committee work	€	264.726	255.000	255.000
Employee representatives	€	844.658	831.066	835.000
Fixed remuneration	€	680.000	678.689	680.000
Remuneration for committee work	€	164.658	152.377	155.000
Total	€	1.829.822	1.806.066	1.810.000

Supervisory Board | Managers' Transactions

		2021	2020	2019
	Number	11	8	3

Supervisory Board | Conflicts of interest

		2021	2020	2019
	Number	0	0	0

Governance

Executive Board

The Executive Board is responsible for the overall management of the company. It defines long-term strategic orientation and corporate policy as well as the structure and organization of the Rheinmetall Group and allocates resources. The Executive Board manages the company on its own initiative in the interests of the company, i.e. taking into consideration the concerns of shareholders, customers, employees and other groups connected to the company (stakeholders), with the aim of creating sustainable value added free from instructions of third parties in accordance with the relevant laws, the company's Articles of Association and the applicable Rules of Procedure and having regard for the resolutions of the Annual General Meeting. It represents the company to third parties.

The Rules of Procedure for the Executive Board govern the Board's work, the allocation of duties among the respective Executive Board members, matters reserved for the Executive Board as a whole and the majority required for Executive Board resolutions. In accordance with the Rules of Procedure for the Executive Board, each member of the Executive Board manages the area of responsibility assigned to them under the business distribution plan independently and on their own responsibility, whereby the Executive Board as a whole must be informed on an ongoing basis of key processes and developments relating to business and important measures. Any matters that are of fundamental importance or that have far-reaching consequences require a resolution to be passed by the Board as a whole.

Executive Board | Composition

		2021	2020	2019
Female members	Number	0	0	0
Male members	Number	4	4	4
Total	Number	4	4	4

Executive Board | Appointments

	Position/ area	Date of Entry	since	until
Armin Papperger	CEO Defence	17.4.1990	1.1.2012	31.12.2016
			1.1.2017	31.12.2021
Helmut P. Merch	CFO Finance and Controlling	1.4.1982	1.1.2013	31.12.2017
			1.1.2017	31.12.2022
Peter Sebastian Krause Director of Industrial Relations	CHRO Human Resources	1.2.1999	1.1.2017	31.12.2019
			1.1.2020	31.12.2024
Jörg Grotendorst	Automotive	1.10.2020	1.10.2020	22.4.2021

Executive Board | Age structure

		2021	2020	2019
< 30 years	Number	0	0	0
30 to 50 years	Number	0	1	0
> 50 years	Number	4	3	4
Average age	Years	59	58	60

Executive Board | Mandates

		2021	2020	2019
Armin Papperger				
Internal mandates	Number	4	9	10
External mandates	Number	1	1	0
Helmut P. Merch				
Internal mandates	Number	2	4	5
External mandates	Number	1	1	0
Peter Sebastian Krause				
Internal mandates	Number	3	3	3
External mandates	Number	—	—	—
Jörg Grotendorst				
Internal mandates	Number	4	4	—
External mandates	Number	—	—	—

Executive Board | Discharge

		2021	2020	2019
Valid votes cast	Number	25.594.643	22.293.958	30.233.614
Share of the capital stock represented hereby	Percent	58,76	51,18	69,41
Yes Votes	Percent	99,94	99,97	99,61

Executive Board | Remuneration

		2021	2020	2019
Armin Papperger	€ thousand	6.146	6.090	5.495
Helmut P. Merch	€ thousand	2.451	2.467	3.086
Peter Sebastian Krause	€ thousand	2.698	2.684	2.128
Jörg Grotendorst	€ thousand	3.390	1.066	—
Total	€ thousand	14.685	12.307	10.709

Executive Board | Managers' Transactions

		2021	2020	2019
Armin Papperger	Number	7	5	1
Helmut P. Merch	Number	3	3	1
Peter Sebastian Krause	Number	4	2	1
Jörg Grotendorst	Number	1	1	—

Executive Board | Conflicts of interest

		2021	2020	2019
Executive Board	Number	0	0	0

Governance

Compliance

The reputation of Rheinmetall, the success of the business and the trust of customers, investors, employees and the general public depend not only on the quality of our products and services, but also to a large degree on good corporate governance and, in particular, on effective compliance processes. In line with our values and our Code of Conduct, we are committed to conduct characterized by responsibility, integrity, respect and fairness. We are an honest, loyal and reliable partner for all our stakeholders.

Our compliance policy serves to safeguard our business success on a lasting basis. The members of the Executive Board and managers, executives and employees naturally have an obligation to comply at all times in their working environment with all the applicable country-specific laws, regulations and other provisions, to conduct themselves correctly in business dealings, to preserve the company's tangible and intangible assets and to avoid anything that may result in operational or financial disadvantages or damage to the image of individual companies or the Rheinmetall Group. We do not tolerate any damage to our company's standing and to the reputation of our employees or agents as a result of unlawful and/or unethical behavior or corrupt business practices.

In the day-to-day business of an international company, the different national political and legal systems as well as cultural values, customs and societal norms of different cultural groups have to be taken into account. In addition to the applicable legislation of the countries of exportation, European Union regulations as well as anti-corruption laws such as the US Foreign Corrupt Practices Act, the UK Bribery Act and the French Sapin II Anti-Corruption Act must be observed. The requirements that Rheinmetall Group companies have to fulfill are therefore many and varied. With deliveries made to 139 countries around the globe in 2021, management and employees now more than ever need guidance when it comes to national and international business and in relations with business partners, office holders, authorities and other state bodies in order to avoid potential errors and any resulting reputational, business or liability risks.

Compliance | Framework

Anti Money Laundering Policy

Anti-Trust Policy

Compliance Management System Manual

Rheinmetall Code of Conduct

Risk Prevention Policy

Data Privacy Policy

Data Protection Manual

Dawn Raid Policy

Business Partner Policy

Social Responsibility Framework

Incident Management Policy

Conflict of Interest Policy

Framework Policy Compliance-Trainings

Regulation Management Manual

Donations and Sponsorship Policy

Gifts Policy

Compliance | Business Partner Due Diligence

		2021	2020	2019
Audited Business partners	Number	2.675	1.020	851
without conspicuous issues	Percent	70	65	74

Compliance | Trainings

		2021	2020	2019
Employees receiving classroom training	Number	4.183	4.116	3.822
Employees attending e-learning sessions	Number	7.548	15.130	985
Total	Number	11.731	19.246	4.807

Compliance | Whistleblower | Lines of communication

EQS Integrity Line Web-based whistleblowing system
Ombudsman independent, external contact
Speakup direct, internal compliance contact
E-mail
Letter
Fax
Phone

Compliance | Incident management

		2021	2020	2019
Indications (total)	Number	91	53	79
Compliance-relevant indications	Number	45	45	75
thereof anonymous indications	Number	9	3	2
Confirmed misconduct	Number	33	20	68
Under investigation	Number	18	2	5
Implausible indications	Number	20	8	4

Compliance | Transparency International Defence Companies Index

		2021	2020	2019
Rank	Band	—	C	—
Policy	Score	—	67/100	—
Transparency	Score	—	16/100	—

Governance

Compliance

Controversial weapons

Neither Rheinmetall AG nor its subsidiaries/joint ventures develop, produce or distribute anti-personnel mines; biological, chemical or nuclear weapons; cluster munition; or ammunition containing depleted uranium. Furthermore, it is not intended to do so in the future.

Cluster munitions

Rheinmetall AG fully complies with the position of the German government, which has made considerable diplomatic efforts concerning the adoption of a convention on cluster munitions. This convention was presented at the Dublin conference on May 30, 2008 and signed among others by Germany at the Oslo conference on December 3, 2008.

Cluster munitions are defined in article 2; such munitions or any kind of related components do not belong to those goods, which are developed, produced, assembled, maintained or delivered by Rheinmetall nor any of our subsidiaries. This also applies for anti-personnel landmines banned already by the Ottawa-Convention of December 1997.

We would like to point out, that all goods produced in our Defence division serve for the purpose of improving protection and security for the armed forces. By this we contribute essentially to grant the fulfilment of military and security-political tasks as imposed by the political bodies within their existing legal frameworks.

It is self-evident for Rheinmetall AG, that all relevant legal and juridical requirements are strictly observed. That refers not only to the domestic but also to the export regulations. It should be mentioned in this context that the German export policy for defence products belongs to the strictest in the world.

White phosphorous ammunition

Rheinmetall AG and all of its subsidiaries/joint ventures have no activities related to white phosphorous ammunition, are not involved in the production of white phosphorous ammunition and it is not intended to produce/to be involved in the future.

Rheinmetall AG and all of its subsidiaries/joint ventures are not involved in any other activity related to white phosphorous weapons (such as development, maintenance, technical support, etc.) and it is not intended to be involved in the future.

Governance

Export Control

Global, complex rules for import and export of goods and services

The Rheinmetall Group and Rheinmetall Defence in particular have great responsibility when it comes to exports. It is essential to comply with the strict provisions of the rigorous German and European foreign trade laws and the particularly restrictive Weapons of War Control Act. Foreign trade laws govern trade with foreign countries, taking special account of their own security, export, business and trade policy needs. The Implementation Act on Article 26 Section 2 of the Basic Law (the War Weapons Control Act) governs the manufacture, provision, circulation, acquisition and transport of objects, substances and organisms that are intended for warfare.

We take this sensitive issue very seriously and adhere to the highest standards when it comes to export control. All Rheinmetall Group companies must comply with these high standards, as stipulated in numerous organizational and procedural instructions, such as in Rheinmetall Automotive's Trade Compliance Guideline. On a regular basis, all employees involved in export control are thoroughly trained on issues relating to foreign trade laws and war weapons control laws, and reminded of their responsibility. Rheinmetall has also developed its own electronic training courses on this set of issues. This provides employees with easier access to significant and complex materials.

The Legal department at the Group holding company in Düsseldorf coordinates export control. It clarifies general legal questions, maintains contact at primary level to the government agencies involved, and ensures that our high standards are met in all affected companies of the Rheinmetall Group.

Regulatory environment of Rheinmetall Defence

European and German exports of military equipment are being restricted by numerous bans, licensing and reporting requirements at EU and national level. These restrictions allow the authorities to check critical exports and other foreign trade dealings with respect to arms control objectives. EU law takes precedence over national law, including German law. Nonetheless, according to Article 346 TEU (Treaty on the Functioning of the European Union), all member states can take measures they consider necessary for the protection of their essential national security interests. Decisions on the production of or trade in arms, munitions and war materials are therefore up to the respective national lawmakers.

Legal regulations on exports of military equipment – The Federal Republic of Germany has one of the strictest export control systems in the world. German military equipment exports are governed by the Grundgesetz (GG – German Basic Law), the Gesetz über die Kontrolle von Kriegswaffen (KrWaffKontrG – German War Weapons Control Act) and the Außenwirtschaftsgesetz (AWG – Foreign German Trade and Payments Act) in conjunction with the Außenwirtschaftsverordnung (AWV – German Foreign Trade and Payments Regulation). The "Political Principles Adopted by the Government of the Federal Republic of Germany for the Export of War Weapons and Other Military Equipment" of June 26, 2019, provide the licensing authorities with guidelines.

War weapons – Article 26(2) of German Basic Law states that the manufacture, transportation and marketing of war weapons requires a license from the German government. The details are specified in a federal law, the German War Weapons Control Act (KrWaffKontrG). An annex to the KrWaffKontrG, the War Weapons List, lists all items that are definitively regarded as war weapons. War weapons include not only devices such as battle tanks, armored combat support vehicles and machine guns, but also certain types of ammunition such as tank or artillery ammunition. As well as complete devices and ammunition systems, certain assemblies and components such as the turret and chassis of a battle tank or the projectile, warhead or fuse for certain types of ammunition are additionally defined as war weapons.

Governance

Export Control

The KrWaffKontrG includes an extensive licensing system for war weapons. Almost every activity relating to these goods requires a license. A license is required for the production of war weapons, both during development and in series production. Transfer of the actual control over war weapons also requires a license, as does the purchasing of these weapons. The transportation of war weapons within a country is also subject to licensing. Moreover, the transportation of war weapons using German ships or aircraft outside German territory requires a license. Trading and brokerage transactions involving war weapons that are not intended to affect German territory are also subject to licensing. Above all, the importing, exporting and transit of war weapons requires a license. Exporting a war weapon requires not only the applicable licenses in accordance with the KrWaffKontrG, but also an additional license for export purposes, specifically an export license in accordance with the Foreign Trade and Payments Act (AWG) or the Foreign Trade and Payments Regulation (AWV).

Regulations on other military equipment – Other types of military equipment are listed in Part I Section A of the Export List, an annex to the German Foreign Trade and Payments Regulation. In particular, the export of these goods requires a license. The term "goods" and therefore the export controls apply not just to goods, but to technology and software as well. Licenses are also needed for some types of technical support (i.e. the transfer of intangible knowledge and capabilities) and for some trading and brokerage transactions. It is generally possible to import other types of military equipment without a license.

National regulations on trade and exports of military equipment – The Federal Republic of Germany is entitled to restrict the foreign trade and – in particular – the export of military equipment (including war weapons) by imposing licensing requirements or bans, for example to safeguard the material security interests of the Federal Republic of Germany, to prevent a disturbance to the peaceful co-existence of nations or a major disruption to the foreign relations of the Federal Republic of Germany, to safeguard the public order or security of the Federal Republic of Germany or another member state of the European Union or in the interests of the European Union; and in addition to implement the decisions of the European Council on economic sanctions within the sphere of Common Foreign and Security Policy, to carry out the obligations of the member states of the European Union that are stipulated in directly applicable binding acts of the European Union on the imposition of economic sanctions in the sphere of Common Foreign and Security Policy, and to implement resolutions of the United Nations Security Council or intergovernmental agreements.

Regulations on trade of military equipment at EU level – The adoption of the "Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment" of December 8, 2008, created a legally binding regime for all EU member states. The Council Common Position of December 8, 2008, sets out a total of eight criteria for assessing export license applications. It gives mention to an EU Common Military List, which largely matches the corresponding lists of controlled military equipment of the EU member states.

Controlled goods that come under these lists are largely defined and amended by the international export control regime. The Wassenaar Arrangement (WA), in particular, governs the export controls of conventional military equipment and dual-use goods and related technology. The Australia Group (AG) is active in the area of chemical and biological agents and dual-use goods and technologies. Furthermore, the aim of preventing proliferation is pursued by the Missile Technology Control Regime (MTCR) in the area of ballistic missiles and by the Nuclear Suppliers Group (NSG) in the area of nuclear weapons. The goods in the respective item lists in the Annex to the EC Dual-Use Regulation and German export lists are reflected in German law.

International regulations on trade of military equipment – There has been a set of internationally applicable standards for the trade of conventional military equipment since the Arms Trade Treaty (ATT) came into force in December 2014. On April 2, 2013, the United Nations General Assembly approved a resolution, by a large majority, to adopt the text of the Arms Trade Treaty. The treaty came into force on December 24, 2014. A total of 135 countries have signed the treaty to date, including Germany.

Decision of the German government on exports of military equipment – The German government makes decisions on exports of military equipment based on its "Political Principles for the Export of War Weapons and Other Military Equipment." These political principles take into account the German War Weapons Control Act and the Foreign Trade and Payments Act in conjunction with the "European Council Common Position of December 8, 2008, defining common rules governing control of exports of military technology and equipment," the Arms Trade Treaty that came into force on December 24, 2014, and any respective subsequent regulations. The criteria laid down in the "Common Position" and any subsequent regulations form an integral part of these political principles. The new principles on the export of military equipment from June 26, 2019, expressly prohibit the export of small arms and light weapons to third countries. Licenses for these weapons and the associated ammunition are now issued by the federal government only in exceptional cases. If the political principles set out more restrictive measures than the "Common Position," they take precedence.

Licenses for the export of war weapons and other military equipment are granted only on the basis of reliable prior knowledge of end use by the intended end-user. This generally requires appropriate written assurance by the end-user in the official end-user certificate. The granting of licenses can additionally be made contingent upon the recipient country giving its consent to on-site post-shipment controls in line with the federal government's adopted key points for the introduction of post-shipment controls for German military equipment exports and any subsequent regulations.

Shipments of war weapons and other military goods of a quantity or type that could be relevant to war weapons are approved only upon presentation of official end-user certificates that include a reexport ban subject to authority approval. This applies *mutatis mutandis* to any other military equipment related to war weapons exported in connection with a manufacturing license. Effective end use regulations must be made a pre-condition for these manufactured war weapons.

War weapons and other military equipment related to war weapons may be reexported to third countries or brought into the EU single market only if the federal government has consented to this in writing. A recipient country that flouts an issued end-user certificate to approve the reexport of war weapons or other military equipment related to war weapons or that has knowingly failed to prevent or has not sanctioned an unapproved export of such weapons or equipment will be generally excluded from receiving any further deliveries of war weapons or other military equipment related to war weapons until the situation is resolved. The same applies if post-shipment controls identify violations of the end-user certificate or a country refuses to conduct on-site controls despite making a commitment to this effect in its enduser certificate.

Governance

Export Control

Other goods – Other goods besides war weapons and other military equipment are controlled, namely dual-use goods (i.e. goods that can be used for civilian and military purposes). In other words, they are not purely civilian goods. Purely civilian goods are not generally subject to any export restrictions. With a few exceptions, they can be exported without requiring a license.

Export of dual-use goods – The export of dual-use goods has been harmonized at European Union level since 1995. Council Regulation (EC) No. 428/2009 of May 5, 2009, "setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items" (EC Dual-Use Regulation) applies here. A common list of items lists all dual-use items that are subject to uniform control regulations in all EU countries. These are based on the aforementioned international export control regime. The transfer of these goods within the EU is free, apart from a few exceptions. In addition to the EC Dual-Use Regulation, there are further listed dual-use goods in Part I Section B of the Export List to the Foreign Trade and Payments Regulation (AWV) that also require a license to be exported. These are nationally listed dual-use goods.

Export of non-listed goods – To ensure seamless export controls, there are also licensing requirements for goods that are not technically described in any of the aforementioned export lists and are known as "non-listed goods." These licensing requirements involve open-ended lists that prevent low-tech goods from being used for armaments projects. They are referred to as "catch-all clauses." Factors that play a role in licensing approval include the intended purpose of the goods and the respective purchasing country or country of destination. A licensing requirement may exist in the following cases in particular: if the goods are intended to be used or may be used in connection with the development, manufacture, handling, maintenance, storage, tracking, identification or operation of atomic, biological or chemical weapons and missiles for such weapons, or an arms embargo has been imposed on the purchasing country or country of destination, or the goods are intended – in full or in part – to be used as a component in military equipment that was previously exported illegally or the goods are generally intended for a military end purpose.

Defence | Export control

		2021	2020	2019
Entries in war weapons books	Number	28.813	37.415	33.592
Export license applications pursuant to the German Weapons of War Control Act	Number	109	76	104
Export license applications pursuant to the AWG/AWV	Number	572	583	752

Professional Management of international goods trade at Rheinmetall Automotive

The challenges in foreign trade law lie in the continuous adaptation of operational processes to the ever faster changing specifications on international flows of goods, which economic operators and business partners can only implement and comply with through close cooperation and communication in a spirit of partnership.

Economic cooperation among the 164 countries organised in the World Trade Organization (WTO), which account for more than 90% of the world's trade volume, is at a consistently high level. However, progress in removing trade barriers has stalled. It is not foreseeable whether the stalemate in negotiations will end. The dismantled customs barriers have been replaced by so-called non-tariff trade barriers, which complicate market entry in international business. REACH certificates (chemicals) or use-related certificates increase the effort, require the compilation of extensive information and an internally coordinated approach.

Due to the complexity of complying with national legal regulations on export control, taxes and customs procedures, first countries have started to make a pre-shipping declaration with a data string identifying the delivery on a web-based reporting platform mandatory. The notification of a registration number, which must be included on the shipment documents, means the release of the shipment for transport to the destination country. Here, the first steps towards blockchain of the international flow of goods become visible. To ensure competitiveness, the economic operators are required to check the compatibility of their ERP systems by means of an interface and, if necessary, to design them in such a way that the necessary information can be transmitted without manual effort.

National, supra- and internal developments in the sphere of sustainability are also already reflected. For example, the tariff rate could be set on the basis of the certified carbon footprint of a good.

The expert team of German foreign trade officers makes an important contribution to the success of Rheinmetall companies by harmonising foreign trade processes as best as possible while exploiting synergies. It points out risks and needs for action and advises the Executive Board, managers and specialist departments on all issues relating to customs and foreign trade law. Think global - act local is the maxim under which the regional customs and foreign trade experts exchange ideas. International developments are observed; they are usually reflected in national regulations on import and export processing as well as export control.

Probably not the last challenge for foreign trade: RCEP - Regional Economic Partnership, the latest free trade zone launched on 1 January 2022, which includes China and Japan, the second and third largest economies in the world, as well as the ASEAN countries, including South Korea, Australia and New Zealand. This free trade zone includes one third of the world's economic output and one third of the world's people. It remains to be seen under which conditions a delivery can be made to this free trade zone.

Governance

Offset Text

Offset Management

Offset or Industrial Participation is a reciprocal trade agreement between a buying country and an exporting company of industrial goods and services. In most cases, Offset is a mandatory condition in the procurement of goods and services by government owned entities such as, but not limited to a Ministry of Defense. In addition, Offset or Industrial Participation is a key customer requirement in business transactions with state-owned military customers of Rheinmetall. Rheinmetall takes a proactive approach towards Offset or Industrial Participation requirements with the intention to win customers and satisfy customers against minimal cost and risk for Rheinmetall.

Most offset obligations are satisfied by Rheinmetall through local manufacturing and local procurement activities. Due to our in-house capacities and capabilities at Rheinmetall's globally active Corporate Offset Office, Rheinmetall makes limited use of offset service providers.

Offset agreements are exclusively made with government owned agencies. Before contracting, these undergo an in-house Compliance screening. Furthermore, the Compliance Organization continuously supports the operating divisions with auditing and consulting measures in meeting the offset and industrial participation requirements of government customers. These can play a key role in foreign defence and security projects. In this way, compliance plays a key role in preventing corruption and other fraud offences in this potentially critical business area. Compliance procedures are also established through the internal Corporate Offset Policy that is required to be implemented in all business units.

The implementation of and compliance with this policy as well as the overall monitoring of Rheinmetall's offset activities is ensured by the Corporate Offset Office which also assesses the business rationale for each offset activity based on a clear definition of services offered and a comprehensive and transparent calculation for remuneration.

Indirect offset activities within Rheinmetall relate primarily to purchase agreements with subcontractors of Rheinmetall that have no causality with the product that caused the offset obligation. Therefore, the beneficiaries of indirect offset activities are subcontractors, suppliers, research and development institutes and the like only. In most cases, the beneficiaries of indirect offset activities are published in agreements closed with foreign government owned entities.

Governance

Auditors

The auditors examine the consolidated financial statements and the combined management report to determine whether they comply with applicable accounting regulations and other relevant provisions. They check the IFRS accounting guidelines and make these available to the auditors of companies included in the consolidated financial statements. The auditors of these companies check whether the IFRS accounting guidelines have been applied in full to the financial statements prepared for consolidation purposes and establish the correctness of the annual financial statements prepared in accordance with applicable accounting principles. The audits performed by these auditors also include an assessment of the effectiveness of the accounting-related internal control system based on spot checks in subdivisions.

Auditor's fees

		2021	2020	2019
Audit services	€ million	2,3	2,1	2,6
Other attestation services	€ million	0,2	0,2	0,1
Tax services	€ million	0,2	0,4	0,1
Other services	€ million	0,4	0,7	0,5
Total	€ million	3,1	3,4	3,3

The fees for the audit services comprise primarily remuneration for the audit of the consolidated annual financial statements and the audit of the financial statements of Rheinmetall AG and its German subsidiaries. They also comprise the audit of financial statements prepared in accordance with accounting principles for a particular purpose. The other attestation services relate primarily to statutorily required and voluntary verification services not relating to the audit of the financial statements. In addition, there were tax services which did not impact the annual or consolidated financial statements either in a direct or material fashion and other accounting-related project services provided.

FRAMEWORKS

Frameworks

NFE | Non-financial aspects

Following approval from the Bundesrat on March 31, 2017, the law to enhance companies' non-financial reporting in their management reports and Group management reports (CSR Directive Implementation Act) adopted by the Bundestag on March 10, 2017, has been passed. On April 19, 2017, this act implementing Directive 2014/95/EU (CSR Directive on the disclosure of non-financial and diversity information) was implemented in national law and became effective. As a result, the reporting of certain sustainability issues is regulated for the first time in Germany. Certain minimum aspects and associated disclosures that a company should discuss were defined for the content of the non-financial statement in section 289c(2) HGB.

As part of the combined management report, Rheinmetall publishes a non-financial statement for Rheinmetall AG and the Rheinmetall Group in the 2020 annual report in accordance with Sections 315b, 315c HGB in conjunction with Sections 289b to 289e HGB. The non-financial statement includes information on the respective aspects to the extent that it is necessary for an understanding of the business trend, the business performance, the position of the Rheinmetall Group and the effects of the business trend on the following aspects.

With the exception of the chapter on "Energy Management", these contents were part of the audit of the consolidated financial statements and the Group management report by Deloitte GmbH Wirtschaftsprüfungsgesellschaft. The auditor's report is included in the Annual Report 2020 on pages 244 ff.

Non-financial aspects | Annual Report 2021

Component	Aspects	Position
Business model		Pages 24 to 34
Governance	Sustainability organization Sustainability management Reporting Materiality analysis Integration of stakeholder groups ESG rating	Pages 109 to 112
Technology and innovation		Pages 112 to 113
Environmental concerns	Environmental management Energy management Climate change Waste management Water management Conservation Biodiversity	Pages 113 to 117
Employee matters	Recruiting and employer branding Training and professionalization Modern remuneration systems Diversity Inclusion Occupational safety and health management Work-life balance	Pages 118 to 127
Procurement and the supply chain	Transparency in the supply chain Supplier Code of Conduct Supply chains in the automotive industry Supply chains in the security and defence industry	Pages 127 to 129
Combating bribery and corruption	Compliance Whistleblower-Program Data protection	Pages 130 to 134
Social concerns	Corporate citizenship Product responsibility Respect for human rights	Pages 134 to 136
Risks		Pages 78 to 100

Frameworks

EU taxonomy

Sustainable Finance

Sustainable finance means taking account of environmental, social and governance considerations when making investment decisions in the finance sector, which should lead to longer-term investments in sustainable economic activities and projects. In addition to climate protection, the ecological aspects also include adapting to climate change and environmental factors such as preserving biodiversity, avoiding pollution, and the circular economy. Social parameters may, for example, relate to issues of inequality, working conditions, investments in local communities, and human rights. The management of public and private-sector companies and institutions – including management structures, relations between employers and employees, and the remuneration of managers and employees – plays a crucial role when it comes to including social and environmental considerations in decision-making processes.

The European Green Deal aims to help achieve the transition to a modern, resource-efficient and competitive economy. This attitude is also characterized by a commitment to implement the 2030 Agenda for Sustainable Development adopted by the United Nations and the associated 17 Sustainable Development Goals as well as the Paris Climate Agreement (COP21). All 27 EU member states have undertaken to make the EU the first climate- neutral continent by 2050. As an intermediate step, they have agreed to reduce emissions by at least 55% by 2030 as compared to the level in 1990.

In the European Commission's view, these ambitious targets cannot be achieved solely using public funds. Involvement of the private sector, and particularly the financial and capital markets, is required here. To finance sustainable growth while also reducing the environment impact and taking account of social and governance aspects, the Commission wants private capital to be directed toward sustainable economic activities, projects and investments and environmentally friendly sectors with the aim of making economies, companies and societies more resilient. This also includes transparency on ESG risk factors that could affect the financial system and the reduction of such risks by means of appropriate governance of financial and corporate players.

One important measure was therefore the definition of a taxonomy of sustainable activities with the aim of establishing a shared understanding of the environmental sustainability of economic activities and investments. The starting point for defining an economic activity as environmentally sustainable is the six environmental objectives of the EU Taxonomy Regulation: (1) climate change mitigation, (2) climate change adaptation, (3) the sustainable use and protection of water and marine resources, (4) the transition to a circular economy, (5) pollution prevention and control and (6) the protection and restoration of biodiversity and ecosystems. Economic activities are considered environmentally sustainable if they make a significant contribution to one or more of these defined environmental objectives, do not significantly negatively impact the achievement of any environmental objective ("do no significant harm" principle) and comply with minimum safeguards for occupational health and safety and human rights, such as those arising from the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

Based on these complex screening criteria, the extent to which products, processes and business models are sustainable as defined in the EU Taxonomy Regulation is specified. These are currently in place for two of the six environmental objectives defined in the EU Taxonomy Regulation ("climate change mitigation" and "climate change adaptation").

Frameworks

EU taxonomy

In addition to the delegated regulations on the technical screening criteria for the six environmental objectives of the EU taxonomy, the EU Taxonomy Regulation stipulates another delegated regulation on the taxonomy-related disclosure obligations in accordance with Article 8 of the EU Taxonomy Regulation, which contains more detailed provisions on content, methodology and presentation.

The central reporting parameters for non-financial companies that are already required to publish a non-financial statement are the taxonomy-eligible and taxonomy-compliant sales, capital expenditure (CapEx) and operational expenditure (OpEx). For fiscal 2021, the disclosures are initially limited to the share of taxonomy-eligible activities in the company's overall economic activities. The addition of another four environmental objectives and conformity with the taxonomy will take place when further acts are published in 2022 and will thus cover the entire range of the EU Taxonomy Regulation for non-financial companies.

EU taxonomy in the Rheinmetall Group

Rheinmetall welcomes the fact that the new EU Taxonomy Regulation establishes uniform terminology for European companies and their investments in sustainable business activities.

In the first step, the environmental objectives of "climate change mitigation" and "climate change adaptation" were examined for the Group. In the context of the transformation processes in mobility, and particularly in the automotive industry, our heterogeneous portfolio has been undergoing a gradual realignment process for a number of years. It already comprises a wide range of electric and hydrogen-specific components that are likely to be reflected in sales in the future. Various products that are ready for series production and several development projects no longer relate to the combustion engine, but instead are the result of a strategic realignment toward CO₂-free or CO₂-reduced mobility.

The second environmental goal comprises business activities that can be regarded as a response to current and future climate change. After an initial analysis with regard to Rheinmetall's product range and the investments made, it was ascertained that the second environmental objective of "climate change adaptation" was not directly covered and it therefore was not assessed further for the first reporting year.

Measurement of business activities

The environmental objective "climate change mitigation" was examined in a top-down approach for all business activities. The following values were determined for fiscal 2021:

EU taxonomy 2021

		Sales	Investments	Business expenses
Economic activities eligible for taxonomy	Percent	0,5	5,5	12,7
Economic activities not eligible for taxonomy	Percent	99,5	94,5	87,3

The sales analysis of taxonomy-eligible products was performed for all companies in the Group, but only the sales of the Sensors and Actuators division, the Materials and Trade division and the Rheinmetall real estate company were included in the result.

The divisions that particularly develop and manufacture products for security and defence technology were not included due to the lack of evidence for the efficiency of comparable technology available on the market.

Our coolant pumps developed specifically for electric drive systems generated a large share of taxonomy-eligible sales. Their efficiency makes them particularly suitable for electric vehicles, as they achieve a high cooling performance with relatively low energy requirements. For this reason, these products are used in the electric models of many premium manufacturers. We also record taxonomy-eligible sales with automotive manufacturers for the development of pioneering prototypes for electric and hydrogen applications that promise sustainable growth in the future.

In addition, the year under review saw the establishment and expansion of our business areas with regard to the energy industry and renewable energy sources. The first significant sales were generated here in the field of brake and transmission technology for wind turbines. Many innovative products from Rheinmetall were not included in the considerations due to the unclear definition for the activity “production of other low-CO₂ technologies.”

Components from our combustion engine-specific “Road to 95g CO₂/km” therefore were not included to any significant degree, although technically significant reductions in greenhouse gas emissions can be achieved by using these products in a vehicle. European automotive manufacturers will be enabled to reduce the CO₂ emissions of their vehicles to under 50g CO₂/km with these components, combined with a battery, and thus to meet a consideration portion of the requirements for taxonomy conformity.

Investments as defined in the EU taxonomy include additions to property, plant and equipment and intangible assets during the fiscal year before amortization, depreciation and remeasurement, including additions from business combinations. These investments primarily related to energy optimization measures at the Group’s locations. Both the efficient use of electricity and water and the use of waste heat in our production to save natural resources for heat generation were focus areas of the taxonomy-eligible investment volume. In addition, there were investments in the development of pioneering products such as the tank shut-off valve for hybrid vehicles, which allows for electric drive mode without letting fuel vapor escape, and the innovative hydrogen recirculation blower for use in fuel-cell-driven vehicles.

Operational expenditure includes direct, non-capitalized expenses for research and development, building renovation measures, short-term leasing, maintenance and repair and all other direct expenses from the maintenance of property, plant and equipment to ensure operational readiness. The majority of our taxonomy-eligible operational expenditure is attributable to research and development. They will lead to taxonomy-eligible additional sales and indicate the importance that alternative drive technologies will hold for Rheinmetall in the future.

Frameworks

EU taxonomy

Outlook for the application of the EU taxonomy in the Rheinmetall Group

Rheinmetall will use the experience gained from the first year of collecting and evaluating taxonomy data to expand the Group's standard reporting processes accordingly and create the IT conditions to facilitate the necessary recording of data. This particularly applies in the context of the upcoming analysis and assessment of the four additional environmental objectives and an extensive evaluation of all taxonomy-eligible and taxonomy-compliant activities of the company, and for the expansion to include the technical screening criteria to be examined in the future.

Avoiding double counting

While recording this, a distinction was made between business activities that are always associated with the intention of generating sales and those that are not. The activities aimed at generating sales – regardless of whether sales, CapEx or OpEx were concerned – were examined for possible double-counting effects, as there is a risk of this with regard to internal value added in particular. By means of this approach, existing uncertainties were eliminated. Activities that pursue a goal other than generating sales – particularly energy-related measures – were analyzed on the basis of itemizations. This did not reveal any anomalies.

Frameworks

GRI | Global Reporting Initiative

GRI CONTENT INDEX

GRI- Standards	Disclosure	Reference	Commentary
ORGANIZATIONAL PROFIL			
102-1	Name of the organization		Rheinmetall AG
102-2	Activities, brands, products, and services	Website	
102-3	Location of headquarters		Germany, Düsseldorf
102-4	Location of operations	AR 2021 Locations	
102-5	Ownership and legal form	AR 2021 24	
102-6	Markets served	AR 2021 58	
102-7	Scale of the organization	AR 2021 Envelope	
102-8	Information on employees and other workers	AR 2021 60 118-127	
102-9	Supply chain	AR 2021 127-129	
102-10	Significant changes to the organization and its supply chain	AR 2021 36-38	
102-11	Precautionary Principle or approach	AR 2021 78-100	
102-12	External initiatives	AR 2020 109-110 136	United Nations Global Compact Diversity Charter
102-13	Membership of associations	ESG Reporting Factbook 2022	
STRATEGY			
102-14	Statement from senior decision-maker	AR 2021 16 35-38	
102-15	Key impacts, risks, and opportunities	AR 2021 78-100	
ETHICS AND INTEGRITY			
102-16	Statement from senior decision-maker	Code of Conduct IFA Fair2All	
102-17	Key impacts, risks, and opportunities	AR 2021 133	
GOVERNANCE			
102-18	Governance structure	AR 2021 24 143	
102-19	Governance structure	AR 2021 144-146	

Frameworks

GRI | Global Reporting Initiative

GRI- Standards	Disclosure	Reference	Commentary
102-20	Delegating authority	AR 2021 143	
102-21	Executive-level responsibility for economic, environmental and societal topics	AR 2021 108	
102-22	Consulting stakeholders on economic, environmental, and societal topics	AR 2021 144-146	In accordance with the German Stock Corporation Act, the Supervisory Board is Rheinmetall AG's highest supervisory body. The latter appoints the Executive Board, which is responsible for the operational management and control of the Rheinmetall Group.
102-23	Composition of the highest governance body and its committees	AR 2021 144-145	
102-24	Nominating and selecting the highest governance body	AR 2021 146-147	
102-25	Conflict of interest	AR 2021 149	
102-26	Role of highest governance body in setting purpose, values, and strategy	AR 2021 144-145	<p>The Corporate Social Responsibility department reports to the Supervisory Board and the Audit Committee in various formats during the year.</p> <p>In accordance with section 171 (1) sentence 4 AktG (new version), the Supervisory Board has a duty to review the content of the non-financial statement in the Group management report.</p> <p>The Supervisory Board also decides on the non-financial targets of the Executive Board.</p>
102-27	Collective knowledge of highest governance body	AR 2021 144-145 Website AGM 2021 Competence profile	
102-28	Evaluating the highest governance body's performance	AR 2021 12-13	
102-29	Identifying and managing economic, environmental, and societal impacts	AR 2021 144-147	
102-30	Effectiveness of risk management processes	AR 2021 98-99	
102-31	Review of economic, environmental, and societal topics	AR 2021 78-100	Sustainability risks are regarded as an integral part of Rheinmetall AG's risk and opportunity management.
102-32	Highest governance body's role in sustainability reporting		In accordance with section 171 (1) sentence 4 AktG (new version), the Supervisory Board has a duty to audit the content of the non-financial statement in the Group management report.
102-33	Communicating critical concerns		All employees as well as external whistleblowers can use the Integrity Line platform to point out critical concerns regarding breaches of rules.

GRI- Standards	Disclosure	Reference	Commentary
102-33	Communicating critical concerns		At the annual general meeting, Rheinmetall AG shareholders have the opportunity to raise critical concerns with the Executive Board. In 2021, around 180 questions were submitted and answered. In addition, the Investor Relations department is available to take up concerns that are of particular interest to investors and/or private investors.
102-34	Nature and total number of critical concerns	AR 2021 133	In addition to various other communication channels, all employees as well as external whistleblowers can use the web-based platform "Integrity Line" to point out critical concerns regarding breaches of rules.
102-35	Remuneration policies	AR 2021 157-173	
102-36	Process of determining remuneration	AR 2021 157-173	
102-37	Stakeholders' involvement in remuneration	Website AGM	<p>The Annual General Meeting decides on the remuneration of the Supervisory Board. In May 2021, the regulations in Section 13 of the Articles of Association of Rhein-metall AG were redefined by the Annual General Meeting.</p> <p>The regulation of § 120a paragraph 1 AktG stipulates that the Annual General Meeting of a listed company shall resolve on the approval of the remuneration system for the members of the Executive Board presented by the Supervisory Board at least every four years and whenever there is a significant change in the remuneration system. The resolution presented at the Annual General Meeting on 11 May 2021 achieved majority approval.</p>
102-38	Annual total compensation ratio	AR 2021 121 157-173	Competitive salaries and benefits increase our attractiveness as an employer, they motivate our employees and bind them to the company. Remuneration in our company is based on market analyses in the relevant environment, the value of the job and the competence and performance of an employee. The remuneration and benefits of all employees correspond at least to the legally valid and guaranteed minimum.

Frameworks

GRI | Global Reporting Initiative

GRI- Standards	Disclosure	Reference	Commentary
102-38	Annual total compensation ratio	AR 2021 121 157-173	<p>The remuneration for members of the Executive Board of Rheinmetall AG is geared towards sustainable and long-term corporate development. It thus makes a contribution to promoting the business strategy and to the long-term development of the company. The system offers incentives for the value-creating and long-term development of the company.</p> <p>The remuneration system aims to ensure that the members of the Executive Board are properly remunerated according to their sphere of activity and responsibility, taking into reasonable account both the personal performance of each and every Executive Board member as well as the economic situation and success of the company. The remuneration system is designed to ensure that it is competitive on a national and international scale and thus offer an incentive for dedicated and successful work.</p>
102-39	Percentage increase in annual total compensation ratio	Not reported	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	ESG Reporting Factbook 2022	Rheinmetall maintains a regular dialogue with its stakeholders, which include customers, employees, suppliers, the media, potential and existing shareholders, associations and institutions, scientific institutions, political decision-makers, neighbours at the locations and the interested public.
102-41	Collective bargaining agreements		Across the Group, the majority of our employees (around 60 %) are covered by collective agreements.
102-42	Identifying and selecting stakeholders	AR 2021 108	
102-43	Approach to stakeholder engagement		During numerous events and through various communication channels, there is ongoing engagement with different stakeholders, including clients and shareholders.
102-44	Key topics and concerns raised		In the fourth quarter of 2021, we will conduct a new materiality analysis. This will enable us to meet the requirements of the current reporting standard of the Global Reporting Initiative and the German CSR Directive Implementation Act.
102-45	Entities included in the consolidated financial statements	AR 2021 239-243	
102-46	Defining report content and topic Boundaries	AR 2017 97	

GRI- Standards	Disclosure	Reference	Commentary
REPORTING PRACTICE			
102-47	List of material topics	CSR Report 2017 118 AR 2021 108-139	
102-48	Restatement of information	Not applicable	
102-49	Changes in reporting	Not applicable	
102-50	Reporting period		Financial year 2020 with cut-off date 31 December
102-51	Date of most recent report		Financial year 2019 with reporting date 31 December Non-financial statement in the combined management report of the Annual Report 2019.
102-52	Reporting cycle	annually	
102-53	Contact point for questions regarding the report		Ursula Pohen Head of Corporate Social Responsibility Phone: +49 211 473 4508 E-Mail: csr(at)rheinmetall.com
102-54	Claims of reporting in accordance with the GRI Standards		The Sustainability Report 2021 is prepared in accordance with the GRI Standards Option Core.
102-55	GRI content index		
102-56	External assurance		The Sustainability Report 2021 was not externally audited. The non-financial statement contained in the Group management report of the Annual Report 2020 was audited with the audit level "reasonable assurance" by the annual auditor Deloitte. (exception: energy management). Further information and data contained in this ESG Factbook were taken from the annual financial statements 2020 audited by Deloitte (Annual Report 2020).
ECONOMIC PERFORMANCE			
103-01/02/03	Management approach	AR 2021 36-38	
201-01	Direct economic value generated and distributed	AR 2021 58	
201-02	Financial implications and other risks and opportunities due to climate change	AR 2021 91-92	
201-03	Defined benefit plan obligations and other retirement plans	AR 2021 211-212	
201-04	Financial assistance received from government	Not reported	

Frameworks

GRI | Global Reporting Initiative

GRI- Standards	Disclosure	Reference	Commentary
MARKET PRESENCE			
103-01/02/03	Management approach	AR 2021 24-34	
202-01	Ratios of standard entry level wage by gender compared to local minimum wage		
202-02	Proportion of senior management hired from the local community		Data on the share of locally recruited senior managers is currently not available.
INDIRECT ECONOMIC IMPACTS			
103-01/02/03	Management approach	Not reported	
203-01	Infrastructure investments and services supported	Not reported	
203-02	Significant indirect economic impacts	Not reported	
PROCUREMENT PRACTICES			
103-01/02/03	Management approach	AR 2021 127-129	
204-01	Proportion of spending on local suppliers		Data on the share of sales with local suppliers is currently not available.
ANTI-CORRUPTION			
103-01/02/03	Management approach	Code of Conduct AR 2021 130-134	
205-01	Operations assessed for risks related to corruption	AR 2021 133	
205-02	Communication and training about anti-corruption policies and procedures	AR 2021 134	
205-03	Confirmed incidents of corruption and actions taken	ESG Reporting Factbook 2022	
ANTI-COMPETITIVE BEHAVIOR			
103-01/02/03	Management approach	Code of Conduct AR 2021 130	
206-01	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	AR 2021 89	The reporting of risks from legal disputes and legal proceedings, if any, takes place in the risk and opportunity report.

GRI- Standards	Disclosure	Reference	Commentary
TAX			
103-01/02/03	Management approach	AR 2021 89	
207-01	Approach to tax	Not reported	
207-02	Tax governance, control, and risk management	AR 2021 98	
207-03	Stakeholder engagement and management of concerns related to tax	Not reported	
207-04	Country-by-country reporting		Since 2016, Rheinmetall has prepared the annual Country-by-Country Reporting, which is submitted on time to the German Federal Central Tax Office for global distribution.
MATERIALS			
103-01/02/03	Management approach	AR 2021 113	
301-01	Materials used by weight or volume		We do not report on the weight or volume of materials used as this is competitive information. We report sales figures.
301-02	Recycled input materials used	Not reported	
301-03	Reclaimed products and their packaging materials	Not applicable	
ENERGY			
103-01/02/03	Management approach	AR 2021 114	
302-01	Energy consumption within the organization	AR 2021 114	
302-02	Energy consumption outside of the organization	Not reported	
302-03	Energy intensity	AR 2021 114	
302-04	Reduction of energy consumption	AR 2021 114	
302-05	Reductions in energy requirements of products and services	Not reported	
WATER AND EFFLUENTS			
103-01/02/03	Management approach	AR 2021 116-117	
303-01	Interactions with water as a shared resource	Not reported	
303-02	Management of water discharge-related impacts		In addition to complying with legal requirements regarding the treatment and discharge of wastewater, we implement – if need be – various measures so that the quality of the discharges can be monitored and controlled.

Frameworks

GRI | Global Reporting Initiative

GRI- Standards	Disclosure	Reference	Commentary
303-03	Water withdrawal	AR 2021 116	The water supply/consumption is made up of various sources. These are water from the public supply, well water, river water. These data are available in the key figures overview for operational environmental protection.
303-04	Water discharge	Not reported	
303-05	Water consumption	AR 2021 116	
BIODIVERSITY			
103-01/02/03	Management approach	AR 2021 117	
304-01	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	AR 2021 117	
304-02	Significant impacts of activities, products, and services on biodiversity	Not reported	
304-03	Habitats protected or restored	AR 2021 117	
304-04	IUCN Red List species and national conservation list species with habitats in areas affected by operations	AR 2021 117	<p>There are no known species on the World Conservation Union (IUCN) Red List or national lists of protected species whose habitat is negatively affected by Rheinmetall business activities.</p> <p>The opposite is the case. Due to the existing far-reaching prohibition of public access, our German and South African areas offer individual habitats for the unique fauna and flora.</p>
EMISSIONS			
103-01/02/03	Management approach	AR 2021 114-115	
305-01	Direct (Scope 1) GHG emissions	AR 2021 114	
305-02	Energy indirect (Scope 2) GHG emissions	AR 2021 114	
305-03	Other indirect (Scope 3) GHG emissions	ESG Reporting Factbook 2022	
305-04	GHG emissions intensity	AR 2021 114	
305-05	Reduction of GHG emissions	AR 2021 114	

GRI- Standards	Disclosure	Reference	Commentary
305-06	Emissions of ozone-depleting substances (ODS)		The legal regulations on emissions of ozone-depleting substances are complied with. However, we cannot exclude the possibility that very low amounts of ozone-depleting emissions occur. These are within the legally permissible limits and are not collected separately by us.
305-07	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not reported	
WASTE			
103-01/02/03	Management approach	AR 2021 116	
306-01	Waste generation and significant waste-related impacts	AR 2021 116	
306-02	Management of significant waste-related impacts		During the reporting period, no significant waste-related impacts became known as a result of our business activities.
306-03	Waste generated	AR 2021 116	
306-04	Waste diverted from disposal	Not reported	
306-05	Waste directed to disposal	ESG Reporting Factbook 2022	
ENVIRONMENTAL COMPLIANCE			
103-01/02/03	Management approach	AR 2021 91-92 113	
307-01	Non-compliance with environmental laws and regulations	AR 2021 89	The reporting of risks from legal disputes and legal proceedings, insofar as these exist, is carried out in the risk and opportunity report.
SUPPLIER ENVIRONMENTAL ASSESSMENT			
103-01/02/03	Management approach	Code of Conduct AR 2021 127-129	
308-01	New suppliers that were screened using environmental criteria	AR 2021 132	
308-02	Negative environmental impacts in the supply chain and actions taken		Due to the complexity of the entire supply chain and the challenge of keeping track of it, it is not possible to give a percentage of actual and potential negative environmental impacts of suppliers. As part of our efforts to increase transparency in our supply chains, we are also striving for a better overview of potential negative environmental impacts.

Frameworks

GRI | Global Reporting Initiative

GRI- Standards	Disclosure	Reference	Commentary
EMPLOYMENT			
103-01/02/03	Management approach	IFA Fair2All AR 2021 118	
401-01	New employee hires and employee turnover		We do not currently collect data on newly recruited employees and turnover broken down by gender, age group and region, as these are not material for us.
401-02	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Part-time employees receive the same company benefits as full-time employees. Employees with fixed-term contracts are not entitled to all company benefits.
401-03	Parental leave	AR 2021 126	
LABOR/MANAGEMENT RELATIONS			
103-01/02/03	Management approach	IFA Fair2All AR 2021 126-127	
402-01	Minimum notice periods regarding operational changes		The rules on notification deadlines vary around the world. We comply with the applicable rules at local level. The recording of reporting deadlines at group level is not relevant for us.
OCCUPATIONAL HEALTH AND SAFETY			
103-01/02/03	Management approach	Code of Conduct IFA Fair2All AR 2021 125	
403-01	Occupational health and safety management system	AR 2021 125	
403-02	Hazard identification, risk assessment, and incident investigation	AR 2021 125	
403-03	Occupational health services	AR 2021 125	
403-04	Worker participation, consultation, and communication on occupational health and safety	AR 2021 125	In Germany, occupational health and safety committees are required by law. Therefore, all German employees of Rheinmetall AG are represented by occupational health and safety committees that operate at site level. This is around 50 % of the total workforce. At most sites outside Germany, employees are represented in occupational safety committees, the organisation of which is the responsibility of the sites.

GRI- Standards	Disclosure	Reference	Commentary
403-04	Worker participation, consultation, and communication on occupational health and safety	AR 2021 125	A Group works agreement on health management was already concluded with the European Works Council in 2012, covering the aspects of occupational health and safety, health promotion, addiction prevention and reintegration after illness.
403-05	Worker training on occupational health and safety	Not reported	
403-06	Promotion of worker health	AR 2021 125	
403-07	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	AR 2021 125	
403-08	Workers covered by an occupational health and safety management system	ESG Reporting Factbook 2022	
403-09	Work-related injuries	AR 2021 125	The Lost Time Injury Rate (LTIR) is defined as a non-financial indicator.
403-10	Work-related ill health	AR 2021 125	Data on occupational diseases are not collected internationally. For Germany, the data are held by the Berufsgenossenschaft and are not broken down to the individual companies.
TRAINING AND EDUCATION			
103-01/02/03	Management approach	IFA Fair2All AR 2021 128-120	
404-01	Average hours of training per year per employee	ESG Reporting Factbook 2021	
404-02	Programs for upgrading employee skills and transition assistance programs	AR 2021 128-120	
404-03	Percentage of employees receiving regular performance and career development reviews		Employees covered by collective agreements are assessed in accordance with the provisions of the collective agreements. For managerial and non-pay-scale employees, the Group agreement "Leading by Objectives" applies.
DIVERSITY AND EQUAL OPPORTUNITY			
103-01/02/03	Management approach	Code of Conduct IFA Fair2All AR 2021 122-124	
405-01	Diversity of governance bodies and employees	AR 2021 122-124	The term "minority" is not uniformly defined worldwide. Therefore, we do not systematically collect data on this. In addition, in many countries where we operate, the collection of personal data from employees is strictly regulated by data protection laws.

Frameworks

GRI | Global Reporting Initiative

GRI- Standards	Disclosure	Reference	Commentary
405-02	Ratio of basic salary and remuneration of women to men	AR 2021 121	<p>Our Code of Conduct and the International Framework Agreement Fair2All stipulate fair working conditions.</p> <p>In the companies covered by collective agreements, the respective collective agreements on remuneration are applied. The provisions of the collective agreements as well as the remuneration principles are independent of gender. The remuneration systems are company-specific, which is why a ratio analysis can only be made for individual selected companies or employee groups and not for the Group as a whole. The total remuneration can also be made up of other additional components in addition to the monthly salary, which is why it is not comparable as a total value.</p> <p>The employees of our foreign subsidiaries benefit from attractive remuneration systems that correspond to the respective local market conditions. Group-wide, collective regulations apply to about 60% of our employees.</p> <p>Variable salary components, which we pay as part of our performance-based remuneration, are paid on the basis of agreed and achieved targets. This process is controlled through performance management.</p>
NON-DISCRIMINATION			
103-01/02/03	Management approach	Code of Conduct IFA Fair2All	
406-01	Incidents of discrimination and corrective actions taken	Not reported	For reasons of confidentiality, we do not provide statistical information on cases of discrimination.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
103-01/02/03	Management approach	IFA Fair2All AR 2021 126-127	
407-01	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		No restrictions on freedom of association became known in the reporting period. Rheinmetall promotes the organisation of co-determination within the company. In Germany, the basis for this is laid down in the Works Constitution Act (BetrVG), among other things.
CHILD LABOR			
103-01/02/03	Management approach	Code of Conduct IFA Fair2All	

GRI- Standards	Disclosure	Reference	Commentary
408-01	Operations and suppliers at significant risk for incidents of child labor	AR 2021 136	
FORCED OR COMPULSORY LABOR			
103-01/02/03	Management approach	IFA Fair2All	
409-01	Operations and suppliers at significant risk for incidents of forced or compulsory labor	AR 2021 136	
SECURITY PRACTICES			
103-01/02/03	Management approach	IFA Fair2All	
410-01	Security personnel trained in human rights policies or procedures		We also work together with service providers for security services. These service providers are required by the Supplier Code of Conduct to respect human rights.
RIGHTS OF INDIGENOUS PEOPLES			
103-01/02/03	Management approach	Code of Conduct IFA Fair2All	
411-01	Incidents of violations involving rights of indigenous peoples	AR 2021 89	The reporting of risks from legal disputes and legal proceedings, if any, takes place in the risk and opportunity report.
HUMAN RIGHTS ASSESSMENT			
103-01/02/03	Management approach	Code of Conduct IFA Fair2All	
412-01	Operations that have been subject to human rights reviews or impact assessments	AR 2021 136	
412-02	Employee training on human rights policies or procedures	AR 2021 136	The total number of hours spent specifically on human rights training cannot yet be reliably estimated or stated.

Frameworks

GRI | Global Reporting Initiative

GRI- Standards	Disclosure	Reference	Commentary
412-03	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		For reasons of confidentiality towards our business partners, we do not publish specific details about investment agreements and contracts with our partners.
LOCAL COMMUNITIES			
103-01/02/03	Management approach	AR 2021 134	
413-01	Operations with local community engagement, impact assessments, and development programs	AR 2021 135	Community and social engagement at the sites is largely decentralised. Therefore, there is no central data collection on the basis of which the percentage of sites where measures to involve local communities have been implemented can be calculated.
413-02	Operations with significant actual and potential negative impacts on local communities		It is our aspiration to reach a mutually beneficial outcome in dialogue between representatives of local communities and the Rheinmetall companies.
SUPPLIER SOCIAL ASSESSMENT			
103-01/02/03	Management approach	Code of Conduct AR 2021 127	
414-01	New suppliers that were screened using social criteria	AR 2021 127-129	
414-02	Negative social impacts in the supply chain and actions taken		Due to the complexity of our supply chains and the challenges involved, it is not possible to give a percentage of significant actual and potential negative social impacts.
PUBLIC POLICY			
103-01/02/03	Management approach	Code of Conduct	<p>The world is subject to constant change, which determines the environment in which Rheinmetall and its customers operate and thus strongly shapes the framework conditions for business activities.</p> <p>We are present where representatives from politics, business and society discuss and make decisions. In doing so, we represent our stakeholders in an open and transparent manner. We participate constructively in finding viable solutions with politicians and administrators, representatives of associations and trade unions.</p> <p>We maintain representative offices in Berlin and Koblenz. We are also active at the European level in Brussels.</p>

GRI- Standards	Disclosure	Reference	Commentary
415-01	Political contributions	ESG Reporting Factbook 2022	
CUSTOMER HEALTH AND SAFETY			
103- 01/02/03	Management approach	Code of Conduct	
416-01	Assessment of the health and safety impacts of product and service categories	AR 2021 135	
416-02	Incidents of non-compliance concerning the health and safety impacts of products and services	AR 2021 78-100	The reporting of risks from legal disputes and legal proceedings, if any, takes place in the risk and opportunity report.
MARKETING AND LABELING			
103- 01/02/03	Management approach	Code of Conduct	
417-01	Requirements for product and service information and labeling		Product labels are important and mandatory. We comply with the respective legal requirements.
417-02	Incidents of non-compliance concerning product and service information and labeling		We are not aware of any substantiated complaints regarding non-compliance in the labelling of products and services.
417-03	Incidents of non-compliance concerning marketing communications	AR 2021 89	The reporting of risks from legal disputes and legal proceedings, if any, takes place in the risk and opportunity report.
CUSTOMER PRIVACY			
103- 01/02/03	Management approach	Code of Conduct AR 2021 133-134	
418-01	Substantiated complaints concerning breaches of customer privacy and losses of customer data		We are not aware of any substantiated complaints regarding breaches of customer data protection and loss.
SOCIOECONOMIC COMPLIANCE			
103- 01/02/03	Management approach	Code of Conduct	
419-01	Non-compliance with laws and regulations in the social and economic area	AR 2021 89	The reporting of risks from legal disputes and legal proceedings, if any, takes place in the risk and opportunity report.

Frameworks

UNGC | UN Global Compact

The UN Global Compact is the world's biggest sustainability initiative. It was launched by the United Nations in 2000 and currently comprises around 13,000 participating companies from more than 150 countries. All of the signatories are committed to running their businesses in accordance with ten universally acknowledged principles relating to human rights, labour standards, environmental protection and combatting corruption. Furthermore, the signatories are obliged to report annually on their progress regarding implementation. Based on the ten principles and the seventeen SDGs, the United Nations – acting in cooperation with signatories of the UNGC – is working to achieve an inclusive and sustainable global economy that benefits all peoples, communities and markets.

On 13 April 2021, Rheinmetall joined the global network United Nations Global Compact. As a signatory, Rheinmetall has committed itself to promoting the ten principles of the UNGC on sustainable and responsible economic management and development.

HUMAN RIGHTS

01

Businesses should support and respect the protection of internationally proclaimed human rights.

02

Make sure that they are not complicit in human right abuses.

LABOUR

03

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

04

The elimination of all forms of forced and compulsory labour.

05

The effective abolition of child labour.

06

The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

07

Business should support a precautionary approach to environmental challenges.

08

Undertake initiatives to promote greater environmental responsibility.

09

Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

10

Business should work against corruption in all its forms, including extortion and bribery.

Frameworks

TCFD | Taskforce on Climate-related Financial Disclosure

According to a press release from the World Meteorological Organization, 2021, with a plus of 1.11°C, 2021 is the seventh year in succession (2015-2021) in which the global temperature was more than 1°C higher than the pre-industrial era (1850-1900). The Task Force on Climate-Related Financial Disclosures (TCFD) of the G20 has published recommendations on consistent climate reporting for companies. They are urged to analyze and evaluate the opportunities and risks presented by climate change. The aim is to enable companies and investors to quantify the financial impact of climate change on their business models and strengthen the resilience of their business strategies.

The TCFD's four-pillar framework helps companies not only to integrate climate-change-related risks and opportunities in their businesses, but also to produce more consistent reporting. Physical risks result from long-term changes of climatic and ecological conditions (e.g. increase in the sea level, temperature and change of climatic conditions) as well as through extreme individual weather events and their consequences. There are transition risks in connection with the move to a more economically sustainable economy with a lower carbon footprint (e.g. as a result of relatively suddenly implemented political measures on climate protection, due to technical progress or from changes in market sentiment and consumer preferences).

After the assessment of the risk analysis report from insurance companies on the 60 production facilities in 2020, on the basis of a CSR risk database roughly 130 production sites were examined in respect to various risk types (physical risks acute/chronic with nine and ten categories respectively, transitory risk with six categories, and socio-economic risks with two categories). Account is to be taken of the results in the context of the business continuity management measures. In fiscal 2022, using a risk-based approach for production sites it is planned to implement scenario analyses for 2022, 2045 and 2070 for the following parameters: Representative Concentration Pathways (RCP) 4,5 and 8,5 (according to IPCC).

CDP

The CDP (formerly Carbon Disclosure Project) is an independent, non-profit organization which states it maintains the world's biggest database on the environmental impact of major corporations. The organization aims to establish the management of greenhouse gas emissions as a key economic success and risk factor in companies.

Each year, on behalf of more than 500 institutional investors, the CDP collects information on corporate strategies to combat climate change and company-specific greenhouse emissions. In the Climate Change Questionnaire, alongside questions on the organization, targets, projects and programs, companies are surveyed in respect to information about risks and opportunities of climate changes and measures in the area of climate protection.

In the year under review, Rheinmetall took part in this demanding CDP sustainability ranking for the first time. Our climate protection activities up to now were assessed with the grade "D" on a scale from "A" to "F".

Frameworks

SASB | Sustainability Accounting Standard Board

The US Sustainability Accounting Standards Board (SASB), founded in 2011, is an independent non-profit organisation. The 77 industry-specific standards from eleven overarching sectors deal predominantly with economically relevant sustainability-related issues for reporting to institutional investors. These basically cover the topics of environment, governance, business model and innovation as well as human resources, which in turn are subdivided into further aspects.

Our first reporting in accordance with the SASB standard (Sustainability Accounting Standards Board) is based on the relevant environmental, social and governance indicators of the SASB for the Aerospace & Defence and Autoparts sectors (October 2018 version in each case). Our reporting according to the SASB standard is a voluntary disclosure to meet the increasing requirements of our investors and other stakeholders.

RESOURCE TRANSFORMATION SECTOR

Aerospace & Defense

Code	Accounting Metric	Category	Reporting
Hazardous Waste Management			
RT-AE-150a.1	(1) Amount of hazardous waste generated (2) percentage recycled	Quantitative	(1) 7,081 tons (2) 36%
RT-AE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Not reported
Product Safety			
RT-AE-250a.1	Number of recalls issued, total units recalled	Quantitative	Not reported
RT-AE-250a.2	Number of counterfeit parts detected, percentage avoided	Quantitative	In case of suspected or confirmed cases we promptly inform our customer
RT-AE-250a.3	Number of Airworthiness Directives received, total units affected	Quantitative	Not applicable
RT-AE-250a.4	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Not reported
RT-AE-410a.1	Revenue from products designed to increase fuel efficiency and/or reduce emissions	Quantitative	Not applicable

Frameworks

SASB | Sustainability Accounting Standard Board

Code	Accounting Metric	Category	Reporting
Fuel Economy & Emissions in Use-phase			
RT-AE-410a.2	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products	Discussion and Analysis	Annual Report 2021 32-33 57 137
Data Security			
RT-AE-230a.1	(1) Number of data breaches, (2) percentage involving confidential information	Quantitative	Not reported
RT-AE-230a.2	Description of approach to identifying and addressing data security risks in (1) company operations and (2) products	Discussion and Analysis	Annual Report 2021 90
Materials Sourcing			
RT-AE-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Annual Report 2021 127-130
Business Ethics			
RT-AE-510a.1	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade	Quantitative	Not reported
RT-AE-510a.2	Revenue from countries ranked in the (1) "E" Band or (2) "F" Band of Transparency International's Government Defence Integrity Index	Quantitative	(1) 6,8 % (2) 7,3 %
RT-AE-510a.3	Discussion of processes to manage business ethics risks throughout the value chain	Discussion and Analysis	Annual Report 2021 38 108 130
Activity Metrics			
RT-AE-000.A	Production by reportable segment, number of units produced by product category	Quantitative	Apart from non-disclosure clauses in customer contracts, we generally consider this kind of information sensitive and competitive relevant. We report sales figures.
RT-AE-000.A	Number of employees	Quantitative	14,094 [Rheinmetall total: 26,163]

TRANSPORTATION SECTOR

Autoparts

Code	Accounting Metric	Category	Reporting
Energy Management			
TR-AP-130a.1	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	Quantitative	(1) 2,342,038 GJ [650,566 MWh] (2) 56 % (3) Not reported
Waste Management			
TR-AP-150a.1	(1) Total amount of waste from manufacturing (2) percentage hazardous (3) percentage recycled	Quantitative	(1) 44,845 tons (2) 18 % (3) 84 %
Product Safety			
TR-AP-250a.1	Number of recalls issued, total units recalled	Quantitative	Not reported
Design for Fuel Efficiency			
TR-AP-410a.1	Revenue from products designed to increase fuel efficiency and/or reduce emissions	Quantitative	0,5%
Materials Efficiency			
TR-AP-440b.1	Percentage of products sold that are recyclable	Quantitative	Not reported
TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content	Quantitative	Not reported On average, Aluminium used for production is already recycled by approx. 70 %
Materials Sourcing			
TR-AP-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Annual Report 2021 127-128
Competitive Behaviour			
TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	Not reported
Activity Metrics			
AP-000.A	Number of parts produced	Quantitative	Not reported
AP-000.B	Weight of parts produced	Quantitative	Not reported
TR-AP-000.C	Area of manufacturing plants	Quantitative	Not reported

113 RATINGS

Ratings

ISS ESG

Scale: D – A+

Aerospace & Defence
Industry Distribution:
15% of 65 companies
score C or better

C

MSCI ESG

Scale: CCC – AAA

Industrial Conglomerates
Industry Rating Distribution:
24% of 33 companies
score AA or better

AA

SUSTAINALYTICS

Scale: 0 – 100

Aerospace and Defense
Peer Group Average: 37.9
Industry Rank 10/94

28.3
ESG RISK RATING

VIGEOIRIS

Scale: 0 – 100

Automobiles
Sector Rank: 10/40

49

S&P GLOBAL

Scale: 0 – 100

Industrial Conglomerates
Industry Average: 29

34

GAIA RATING

Scale: 0 – 100

Automobile Manufacturers
& Auto Parts

72

ARABESQUE S-RAY

Scale: 0 – 100

Aerospace & Defense
Industry Average:
45.40 ESG, 51.95 GC

56.68
ESG SCORE

66.11
GC SCORE

FTSE RUSSELL

Scale: 0 – 5

Aerospace & Defense
Percentile Rank: 41

3.0

CSRHUB

Scale: 0 – 100

Motor Vehicle Manufacturing
compared with 30.984 companies

89%

CONTACT

Corporate Social Responsibility

Ursula Pohen
Head of Corporate Social Responsibility
Phone +49 211 473-4557
Telefax +49 211 473-4545
csr@rheinmetall.com

Corporate Communications

Dr. Philipp von Brandenstein
Head of Corporate Communications
Phone +49 211 473-4306
Fax +49 211 473-4158
philipp.vonbrandenstein@rheinmetall.com

Investor Relations

Dirk Winkels
Head of Investor Relations
Phone +49 211 473-4749
Fax +49 211 473-4157
dirk.winkels@rheinmetall.com

Copyright © 2022
Rheinmetall Aktiengesellschaft
Rheinmetall Platz 1
40476 Düsseldorf
Telefon: + 49 211 473 01
www.rheinmetall.com
HRB 39401 AG Düsseldorf

This report was published in November 2022.

This report of Rheinmetall AG is available in German (original version) and English (non-binding translation). Both versions are available to download at www.rheinmetall.com.

All rights reserved. Subject to technical change without notice.

PASSION FOR **TECHNOLOGY.**