



# CORPORATE RESPONSIBILITY

## POLICY STATEMENT ON RESPECTING HUMAN RIGHTS AND PROTECTING THE ENVIRONMENT

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The dignity of every human being is protected by a number of international conventions on human rights, which place primary responsibility for protecting and enforcing human rights in the hands of the governments of UN member states. In addition, all members of society are required to play their part in upholding these rights.

We are mindful of our corporate responsibility to respect human rights and protect the environment. It is a responsibility that must span all aspects of our business activities and be demonstrated every day and everywhere.

In this policy statement, we the Executive Board pledge to respect human rights, and specifically to create the conditions required for good working conditions as well as fair trade and competition.

Our commitment to building a better and fairer society that is fit for the future is backed by a clear stance and steadfast ambition. As an international company that is very much guided by its values, we undertake – within our sphere of influence – to prevent our business activities from having a negative impact on human rights, and to minimize and stop this impact as far as possible. Beyond our own business operations, we will work toward ensuring that our business partners, and particularly our direct suppliers, show the same respect for human rights that we do. We will do our utmost – where possible – to ensure that the same can be said for our indirect suppliers too and we will take all measures necessary.

We intend to review our approach to human rights on a continuous basis going forward in order to take account of new developments. The only way we can operate as a successful business over the long term is to ensure, as far as possible, that the impact of our business activities is at one with humanity and the environment. We intend for this policy statement to represent another major step in this direction. Each and every one of us must help to put it into practice in day-to-day operations if we are to guide our company to a sustainable future.

In situations where a government is unwilling or unable to discharge its obligations to respect human rights and protect the environment, we still have a duty to act to safeguard human dignity and the indivisible and inalienable rights of all human beings on this planet, but we must be careful not to assume the role of the state.



Armin Papperger



Dagmar Steinert



Peter Sebastian Krause

## Preamble

Rheinmetall has been around for over 130 years. The sustained success of our company in the long term is contingent not only on our technological capacity for innovation and our competitiveness, but also on our assumption of social responsibility. It is a crucial factor that concerns not just our employees and social partners but also our shareholders, customers, suppliers and other business partners.

Our understanding and our due diligence processes for human rights are underpinned by the following principles of internationally recognized human rights frameworks and standards:

- The United Nations Universal Declaration of Human Rights
- The United Nations International Covenant on Civil and Political Rights
- The United Nations International Covenant on Economic, Social and Cultural Rights
- The Ten Principles of the United Nations Global Compact
- The OECD Guidelines for Multinational Enterprises
- The United Nations Guiding Principles on Business and Human Rights
- The ILO Declaration on Fundamental Principles and Rights at Work
- The Diversity Charter

Alongside our commitment to the objectives of the Paris Agreement on climate change, we also support the United Nations Agenda 2030 for Sustainable Development and would like our actions to make some contribution to achieving the 17 Sustainable Development Goals (SDGs). We have identified four of the SDGs as especially important. These prioritized SDGs relate to human rights issues:

- SDG 4: Quality education
- SDG 8: Decent work and economic growth
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

The values and standards enshrined in the aforementioned frameworks are also reflected in our own guidelines and constitute a binding scope of action for our employees, business partners and suppliers:

- Vision, Mission and Ambition
- Code of Conduct
- Principles of Social Responsibility (International Framework Agreement Fair2All)
- Position paper “Internationalism and Transformation of the Rheinmetall Group”
- Supplier Code of Conduct
- Diversity Policy

The implementation of the principles contained therein and the protection of the legal positions highlighted in these conventions are embedded in the daily actions of all employees in a great many areas of the Rheinmetall Group. We expect all our employees and business partners to comply with the applicable laws and regulations as well as internationally recognized legislative standards for human rights and the environment.

## Expectations of our employees and business partners

### Rheinmetall and controlled Group companies

Showing respect for human rights is an integral part of Rheinmetall's corporate culture and one of our shared values.

Managers and employees alike are required to abide by the Code of Conduct and to base their professional actions on the principles set out in this code and on the policy statement on respecting human rights.

This approach is based on a due diligence process, which allows us to identify aspects that are critical or pose a risk and to define appropriate measures. It affirms our commitment to respect human rights and specifies how we go about protecting human rights and associated environmental rights and how we implement the ILO core labor standards in our global business activities. Ensuring global compliance with these fundamental principles and rights is a matter of considerable importance to us.

Our standards apply worldwide, even when they extend beyond local legal requirements on a voluntary basis. In our own business activities, we have a strict policy to neither cause nor contribute to human rights violations.

We expect our own employees to base their daily decisions on the principles outlined in this policy statement and on our company's Code of Conduct.

### Business partners

As an international company, we maintain business relationships with partners the world over. This means that we need to be mindful of different national political and legal systems as well as the values, practices and social customs of different cultural environments in our day-to-day business activities.

We expect our business partners to match our commitment to respect human rights, vow to set up appropriate due diligence processes and pass these expectations on to their own suppliers.

Above all, we expect our suppliers to follow our social principles. Our expectations for this stakeholder group are set out in the Supplier Code of Conduct 2.0 published in October 2022.

# Responsible corporate governance

## Human rights and good working conditions

### Child labor

Child labor is strictly prohibited. We are opposed to any practices that contravene the rights of children. We must respect their dignity and protect their safety and health. Children must not be kept from their education because they are engaged in work in a way that serves to limit or impair their development. In line with the ILO core labor standards, we adhere to the minimum age for employment as defined in the applicable national regulations. We carry out checks, for example, to make sure that applicants and employees have reached the minimum age for employment and to verify which jobs they are able to undertake.

### Forced labor

We are staunchly opposed to forced labor and any form of modern human trafficking, slavery or practices akin to slavery such as serfdom and debt bondage or other forms of domination or oppression in the workplace. We expressly denounce degrading treatment, exploitation and the use of physical and psychological violence.

Employer practices must be aligned with the basic principles of the ILO core labor standards. All employment contracts with the Rheinmetall Group or with companies and suppliers contracted by Rheinmetall must always be concluded and executed on a voluntary basis. All employment relationships may be terminated by the employees of their own free will, observing an appropriate and legally stipulated notice period.

### Deployment of security forces

When we deploy internal or external security forces to protect our company premises, we do not tolerate any wrongful conduct by the security personnel toward employees or third parties. We ensure that they uphold human rights and associated environmental rights and do not act unlawfully. This also includes the right to life and physical integrity and the prohibition of degrading treatment.

### Local communities and indigenous peoples

We are mindful of the livelihoods and health of local communities and indigenous peoples within the context of our business activities. In the process of deriving our specific action areas, we address risk scenarios such as air, water and soil pollution, deforestation, improper handling of hazardous waste or the withdrawal of groundwater in regions affected by water scarcity, including with a view to protecting the legal positions of the above-mentioned groups. By the same token, we are firmly opposed to the destruction of cultural and ritual places and to the unlawful eviction and taking of land, forests and waters.

During ongoing operations and construction work, we expressly aim to keep any adverse impacts on the local population to a minimum. At our locations, we seek to use environmentally friendly and resource-efficient processes and methods and to avoid negative impacts on the local population as much as possible.

### Land rights

Rheinmetall disapproves of any form of unlawful taking of land that violates human rights, particularly the forced eviction or removal of land, forests and waters for own interests, as a result of which people or communities could lose their livelihoods.

### Protection of human rights defenders

We acknowledge the vital role of human rights defenders in upholding and championing human rights. They are particularly at risk of being threatened, intimidated, defamed or criminalized. We resolutely condemn these practices and this treatment.

### Equality of opportunity and protection from discrimination

In times of accelerated technological, economic and social transformation, ensuring equality of opportunity and promoting diversity is an important part of HR work at Rheinmetall. Diversity is one of our core values, and in this age of transformation it is a key factor for innovation and continued growth.

Equal treatment and equality of opportunity are important cornerstones of respectful, unbiased, professional, open and fair human interactions. We foster an environment in which employees are selected, recruited and promoted on the basis of their suitability, qualifications and abilities.

Discrimination or unequal treatment in the workplace, on social media and on other public platforms is not tolerated. We will do our utmost to ensure that no one is discriminated against, given preferential treatment or harassed on the basis of characteristics such as gender, ethnic origin, skin color, nationality and social origin, religion and ideology, political, social or trade union affiliations, opinions and beliefs, political views (as long as they are based on democratic principles and tolerance toward those with other views), sexual identity and orientation, physical and/or psychological impairments or restrictions, age or any other characteristics that are protected by local laws such as belonging to a national minority, pregnancy, parenthood or previous military service (veteran status).

As part of our diversity concept, we actively promote an open, inclusive and respectful corporate culture and are consciously mindful of cultural diversity and individuality. That is the reason we are a signatory of the Diversity Charter and are continuing to develop diversity management within the company.

We do not tolerate any form of violence and harassment during, in connection with or as a result of employment at Rheinmetall and its Group companies.

We respect and protect the rights of vulnerable people or groups such as expectant mothers, people with health impairments or disabilities, people with limited capacities due to physical or other characteristics, people from a migrant background, people who have difficulty making their voices heard, older employees, indigenous population groups and members of linguistic minorities.

## Responsible corporate governance

### Working conditions

Professional training, the chance to take on responsibility and promotion opportunities are all extremely relevant to the engagement and satisfaction of our employees.

Not only this, but in light of demographic influencing factors and the anticipated skilled workers shortage in many places, the needs-based and forward-looking development of employees, management trainees, specialist workers and managers is a crucial success factor for the Rheinmetall Group's continued growth and future viability. It is essential that we adapt the skills and capabilities of our workforce to the rapidly changing framework conditions and transformation processes.

We foster working conditions that enable every individual at Rheinmetall to develop their potential. There are numerous training opportunities that help Rheinmetall employees to plan their own development, achieve their individual learning objectives and expand their skill sets to meet the requirements of their current positions or to take on new tasks, activities or job profiles.

Professional success hinges on satisfaction within our private lives as well. Many employees would like greater consideration to be given within their professional positions to their lifestyles, individual stages of life and particular life circumstances and to be able to achieve a better work-life balance through more flexible working hours. We believe it is important to support our employees in this regard with a family-friendly HR policy. This also includes respecting the right to recreation and leisure time, including paid leave, and the right to a family life, including parental leave and similar arrangements.

There is a range of policies in place that provide all employees with more flexible hours and greater freedom as a result. These include working time models with different weekly working hours, a number of part-time roles, trust-based working hours and the flexibility to work from home for a specific number of days per month. This range gives employees the scope to plan leisure activities, allows working parents to pursue job opportunities on an equal basis and enables a growing number of employees to take time off to care for close family members.

### Working hours

We attach considerable importance to work-life balance. The general rule at Rheinmetall is that working hours are based on local legal requirements and the regulations of national industry sectors or industry standards. We consider the needs of both the business and the individual. Rheinmetall ensures compliance with national regulations and agreements on regular paid leave.

Within the framework of applicable laws, we ensure that we put policies in place to guarantee safe and healthy working conditions, breaks, appropriate restrictions on working hours, statutory public holidays and regular paid leave and that we adhere to the applicable international standards on working hours, particularly the ILO conventions that are relevant for the place of employment. This includes compensation for overtime worked.



### Appropriate remuneration

We offer our employees a competitive rate of remuneration that is based on performance, and this is supplemented with additional benefits. Rheinmetall respects the basic principles of equal pay for work of equal value regardless of gender differences and fair working conditions.

Remuneration and benefits are commensurate, based on the principle of fairness and consistent as a minimum with the legally applicable minimum wages enshrined in national law. If there are no legal or collective bargaining agreements in place, remuneration and benefits are aligned with the remuneration and benefits that are typical for the specific sector or place.

Wages and reimbursement of expenses are paid on time, in full and in recognized currencies, and they can only be withheld on sufficient legal grounds and with an appropriate explanation from payroll. Insofar as this is common regional practice, employees receive with the payment of their wages a wage statement in written or digital form, which provides an accurate and comprehensive account of all wages and additional benefits and any deductions. If an appropriate statement is not common regional practice, employees can receive one on request. A verbal explanation is provided in cases where employees have reading and comprehension difficulties.

### Health and safety in the workplace

Rheinmetall is aware of its responsibility to its employees and creates the conditions required for a safe, healthy and clean working environment and for employment conditions that are conducive to health. The Group guarantees occupational health and safety in the workplace in line with the applicable national regulations of each location and the agreement on health management applicable to all Group companies (if this contains stricter provisions) and supports a process of ongoing development aimed at improving the working environment and employee safety in particular. At the operating facilities of the Rheinmetall Group, managers and employee representatives are assigned a crucial role in the practical implementation of occupational health and safety.

Workplaces are set up in line with statutory and universally recognized safety and occupational health regulations to ensure that work can be performed without accidents and with low levels of stress and strain. We also apply ISO certification standards such as ISO 45001 to improve occupational safety.

Stringent technical and operational safety standards are the foundation for our work. Each and every Rheinmetall Group employee is responsible and has an obligation to familiarize themselves with the safety regulations that are relevant for them and to apply them consistently with the utmost care in their own working areas – in their own interests, but also in the company's interest.

Rheinmetall aspires to do its utmost to minimize all risks and hazards that could pose a potential threat to the health and safety of employees and third parties. Rheinmetall maintains and promotes the health, performance and work satisfaction of its employees through an effective prevention culture, continuous improvements to its working environment, appropriate tools including ergonomic aids and protective equipment, and through various prevention programs and initiatives designed to promote health.

## Responsible corporate governance

### Right to collective bargaining and freedom of association

Employee co-determination has a long history at Rheinmetall. With trade unions and employee representative bodies in Germany and abroad, we strive to treat one another fairly and to cultivate a constructive culture of sharing based on trust in order to strike a balance between the needs of the company and the needs of our employees. The main focus of this dialog is to foster sustainable relationships based on cooperation and social peace – even if our views differ.

We respect our employees' right to elect their own representatives; to form employee representative bodies, join these bodies and be represented by them; and to engage in collective bargaining to determine their working conditions. We vow to maintain a position of neutrality in this regard. There will be no preferential treatment or discrimination as a result of joining, being a member of or choosing not to belong to a recognized trade union or employee representative body under applicable law. If this right is restricted by local laws, we will encourage alternative, legally compliant options for establishing an employee representative body.

Rheinmetall respects the right to freedom of association and the right to take industrial action, as long as these rights are exercised in accordance with the respective national legal systems. Implementation of the OECD and ILO standards is not possible to the same extent as in the European Union in all the countries in which we operate as a result of different legal and political systems. Freedom of association is exercised in line with the laws, regulations and customs applicable in the different countries and locations.

### Protection of personal data

Rheinmetall pledges to protect personal data and confidential information. Safeguarding employees' and other business partners' personal rights with respect to use of their personal data is of the utmost importance to us. The collection, storage, processing and other use of personal data fundamentally require the consent of the data subject, a contractual arrangement or another legal basis.

The primary aim is for the companies of the Rheinmetall Group to comply with all locally applicable data protection laws. As regards employee data, the Group companies coordinate their practices and align the protection of this data to German and European legislation with a view to safeguarding personal rights across the Group. In so doing, we aim to protect the rights and freedoms of each individual, including the right to information, rectification, blocking or erasure of personal data.

### Human rights and the environment

Doing business sustainably in a way that is mindful of the environment is an integral part of the company's business and production processes, serving to ensure the company's long-term future. Careful use of natural resources is part of our company philosophy, alongside continuity, economic growth and compliance with the principles of good governance. We feel we have an obligation to continue making strides in lowering our environmental footprint, to prevent our business activities from having a negative impact on the environment where possible, and to implement transformative changes that help to preserve our planet for current and future generations and thereby enable a more sustainable way of doing business in the interests of our stakeholders.

However, business activities – and manufacturing processes in particular – require the consumption of natural resources. In our view, environmental protection and conservation play a major role in ensuring we have a sustainable future that is worth living. Conserving natural resources is part of the Rheinmetall Group's corporate philosophy. The considerate use of raw materials and energy and the prevention of harmful effects on the environment in the course of our business and production processes are just as much a part of the core framework for Group companies' business decisions as responsible management of residual materials and emissions. The most important aspect is that the Rheinmetall companies have a holistic understanding of environmental protection and regard it as an integral part of our management system.

In the course of our business, we avoid any activities that give rise to harmful soil change, water pollution, air pollution, a harmful impact on biodiversity, harmful noise emission or excessive water consumption. To this end, we have established environmental management systems in accordance with ISO 14001 across all our production locations. If, against expectation, environmental incidents were to occur at Rheinmetall locations, we would pick up on and rectify any deficiencies.

Furthermore, between now and 2035 we are aiming to reduce the greenhouse gas emissions produced by our business activities to net zero. We are also cutting down the volume of waste generated by our business activities as best we can and are recycling any unavoidable waste.

All actions we take are in line with the Minamata Convention on Mercury of October 10, 2013, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal of March 22, 1989, and the Stockholm Convention on Persistent Organic Pollutants of May 23, 2001 (POPs Convention).

### Products

We are working toward developing and selling environmentally friendly technologies by including environmental criteria in our selection processes for products and services. During the technological development of our products, we endeavor to reduce the impact on the environment caused by emissions and consumption of resources. We make sure that our activities are also compliant with production regulations regarding, for example, the collection, storage, recycling and disposal of hazardous materials and waste.

### Handling of hazardous raw materials

We adopt a risk-based approach to avoid negative human rights or environmental impacts as a result of our handling of raw materials. In our risk analyses, we take account of the fact that the procurement and processing of some of the raw materials we use to manufacture our products may be harmful and/or hazardous to people and the environment and may require specific measures to be taken.

## Procedure for fulfilling due diligence obligations

We regard the implementation of human rights and environmental due diligence processes as a continuous and comprehensive task that requires not just governance but also a robust management system and an organizational structure. This means we must consider and take into account not just continually changing framework and competitive conditions as well as political and regulatory developments, but also the size and structure of our company and our business activities across a number of countries and industry sectors.

### Responsibilities

This policy statement on human rights and environmental due diligence obligations is binding on Rheinmetall AG and all Group companies over which it exercises direct or indirect control. Rheinmetall endeavors to promote the same principles at companies in which the Rheinmetall Group is a shareholder but that are not Group companies.

The Executive Board, division managers, general managers and line managers are responsible for the effective implementation of this policy statement, as are business partners who are required to meet the relevant due diligence obligations.

The German Supply Chain Due Diligence Act (LkSG) addresses topics including not only the prevention of child and forced labor but also occupational health and safety, the right to organize and freedom of association, enforcing and respecting human rights in the supply chain and the prohibition of unequal treatment in employment. That is why it is important to consult the relevant departments such as Human Resources, Purchasing, Compliance, CSR, Occupational Health and Safety, and Environmental Protection as they are responsible for taking the necessary actions within their areas of responsibility.

The Executive Board assigned the additional role of Group Social Compliance Officer (human rights officer) to the Chief Compliance Officer of Rheinmetall AG. He/she is the primary point of contact for all human rights matters brought to us by the authorities, society and politicians. His/her rights, responsibilities, duties and tasks are outlined in the job description. He/she receives support with his/her activities from the compliance organization.

One of the Group Social Compliance Officer's main responsibilities is to monitor the appropriateness and effectiveness of the risk management system to comply with due diligence obligations under the German Supply Chain Due Diligence Act (LkSG) and to implement risk-based control measures. He/she performs the legally required functions set out in Section 4 (3) LkSG. He/she is also responsible, among other things, for preparing and delivering training and audits, for external reporting on human rights due diligence obligations, and for continuously monitoring and improving human rights and environmental due diligence management. The Executive Board of Rheinmetall AG seeks information on a regular basis, at least once a year, about the work of the Group Social Compliance Officer.

## Organization

This work entails defining new responsibilities and expanding existing governance structures and management processes; systematically performing abstract and specific risk analyses and analyzing their impact on the risk management system; defining potential due diligence procedures as well as processes for remedial action and preventive measures; adapting existing complaints channels; organizing internal and external audits; arranging updates to the Supplier Code of Conduct; and formulating the wording of documentation, reports, policy statements and the new internal LkSG compliance guidelines.

## Stakeholder engagement

We intend to live up to our social responsibility, take advantage of growth opportunities, and integrate environmental and social aspects even more strongly in our business activities going forward. By aligning the company toward sustainability, which is already evident in how we are developing our product range, we are doing everything in our power to ease the transformation of our business and mitigate the consequences of climate change where we can. Sustainability management at Rheinmetall also includes the precautionary principle. Potential threats to people and the environment that are brought about by the company's business activities are to be taken into account at an early stage and excluded or minimized as far as possible.

If we know the interests, views, attitudes, opinions and concerns of our key stakeholders, we can align our commercial decisions more effectively with their expectations. Having 206 companies in 33 countries gives us a large degree of visibility in our markets, and we maintain an ongoing and lively dialog with our various stakeholders, which include customers and business partners, private shareholders and institutional investors, employees, suppliers, media representatives, scientific experts and researchers, members of society, politicians and authorities, and members of associations and organizations. This allows us to establish and develop important relationships for the company and to receive inspiration and specific proposals – including for our sustainability strategy and activities – at an early stage.

As well as being a member of the UN Global Compact, other important activities include participating in external events, keeping track of relevant developments at a political and regulatory level, and leading activities as part of sector initiatives. We are a permanent member of the automotive industry dialog, which includes corporations, politicians and NGOs. In addition, we are part of the human rights working group of the German Institute for Compliance, and representatives of our company lead the Corporate Responsibility and REACH working groups of the Federal Association of the German Security and Defence Industry. We are also still a member of the Sustainability in the Supply Chain working group of the German Association of the Automotive Industry.

Rheinmetall develops its processes on an ongoing basis, and this involves examining where further engagement of rights holders and potential stakeholders would be possible and appropriate. At the same time, Rheinmetall acknowledges that compliance with human rights and the enforcement of fair working conditions are also heavily dependent on local governments adopting, implementing and monitoring effective human rights and environmental regulations and measures to fulfill their protection obligations.

## Procedure for fulfilling due diligence obligations

### Risk management

We believe it is part of our due diligence obligations to identify and analyze human rights and environmental risks in our company and at our direct suppliers and to define appropriate measures to mitigate these risks.

Rheinmetall maintains a risk management system to comply with its due diligence obligations, which covers risks both in its own business area and in the supply chain. Relevant responsibilities have been defined, embedding risk management in all relevant areas of the company and in all relevant business processes. The areas responsible monitor the fulfillment of due diligence obligations within each of their areas of responsibility. Risk management is overseen by the function defined in Section 4 (3) of the German Supply Chain Due Diligence Act (LkSG).

Escalation processes have been defined for our own business area and the supply chain, for both mandatory preventive measures and remedial action. These processes come into force if preventive measures or remedial action are not being implemented as agreed.

### Human rights and environmental risk analysis

The actions we take to satisfy our corporate due diligence obligations are based on an extensive abstract and specific risk analysis. We analyze human rights and environmental risks that may arise from our business activities and any impacts they may have on an annual and ad hoc basis (for example, in the event of significant changes or an elevated risk situation in the supply chain brought about by the introduction of new products or the acquisition and development of a new business segment) in line with the BAFA handout "Identifying, weighting and prioritizing risks". When preparing these analyses, we take into account the type and scope of the business activities undertaken by the Rheinmetall Group as a complex company with widespread global supply chains as well as the perspectives of (potential) stakeholders. To refine the risk analysis, we also incorporate external expert and audit findings, reported information and complaints.

As a shared service center, the Compliance Due Diligence center of expertise carries out all compliance due diligence checks on new and existing business partners (in addition to customers, purchasing partners, cooperation partners and sales partners) across the entire Group, and these checks also cover ESG aspects such as observing human rights and environmental standards. A number of technical and process interfaces ensure that the work of the center of expertise is integrated in day-to-day business operations.

In addition, a risk management approach was developed to identify the risk situation for our own business area and for the supply chain. In both cases, it is aligned with the requirements of the German Supply Chain Due Diligence Act. Rheinmetall takes a three-step approach, which entails defining requirements, carrying out checks and developing agency.

The results of the screening and analyses that are carried out to identify human rights and environmental risks and their impact on our company are incorporated in corporate decision-making processes on an ongoing basis, among other reasons to inform our internal business strategies, business partner management and supplier selection procedures. We also use the results as a basis for formulating and, where necessary, adapting internal rules, processes and training in order to keep on top of the changing requirements imposed on our due diligence processes.

The findings and results taken from the risk analyses therefore form the basis for identifying appropriate objectives, preventive measures and remedial action.

### Risk analysis within our own business area

Our own business area within the meaning of the German Supply Chain Due Diligence Act (LkSG) covers every activity undertaken by the company to achieve the business objective. This means any activity for the creation and exploitation of products and provision of services, regardless of whether it is carried out at a location in Germany or abroad. In affiliated companies, the parent company's own business area includes a Group company if the parent company exercises a decisive influence on the Group company.

To prevent the risk of human rights violations in our own business area as well and to minimize this risk where necessary, a separate management process was established, which is geared toward implementing the individual process steps required under the LkSG and – with the exception of extensive self-assessments – includes enhanced due diligence processes based on country-specific risks and on-site audits carried out by proven external experts.

### Risk analysis within the supply chain

We procure goods and services from many parts of the world in order to manufacture our products. Due to the extensive and highly diverse range of products the Rheinmetall Group offers, some of its supply chains are extremely complex, spread out all over the world and subject to constant change.

The supply chain within the meaning of the German Supply Chain Due Diligence Act (LkSG) refers to all products and services of a company. It includes all steps in Germany and abroad that are necessary to manufacture the products and provide the services, from the extraction of the raw materials to the delivery to the end customer.

Rheinmetall addresses the potential risks to the action areas of people and the environment that may arise in the supply chain in a targeted manner through a process of systematic supply chain management featuring close collaboration with suppliers.

Making sure that risk assessment is methodical, objective and reliable requires a standardized, system-supported process for recording and evaluating supplier information across the Group to help us assess the sustainability performance of our main suppliers. To this end, we use the methods set out on the web-based platform of internationally renowned service provider EcoVadis. Specific risk analysis contains several steps.

Without involving the supplier, we carry out an initial risk classification underpinned by a risk-based approach, which takes account of various parameters such as country-specific risk, industry-specific risk and sector-specific risk, spend level and criticality.

The second step involves sending a request to suppliers who have been prioritized from a risk perspective asking them to either provide their EcoVadis scorecard or to submit a self-assessment questionnaire (SAQ) that has been tailored to them with respect to three main risk aspects (company size, industry/sector, procurement parameters). The rating is based on an assessment of this information, the checks carried out on any submitted documentary evidence and an evaluation of information from external sources. EcoVadis assess the individual aspects covered under environmental, employment and human rights, ethics and sustainable procurement across a total of 21 indicators.

This allows suppliers that pose a risk to be identified more quickly and reliably. Any shortfalls or risk aspects that are identified are subsequently transferred to the relevant risk mitigation action plans. The aim of all the measures we take is to initiate genuine change for the better among our suppliers with regard to environmental, social, employment and governance standards.

## Procedure for fulfilling due diligence obligations

Rheinmetall expects any of its direct suppliers who have a higher risk profile to undertake a sustainability assessment on an annual basis and to share the results with the company. Within the scope of our supply chain relationship management process, we engage in a constructive dialog with any suppliers who refuse to do an EcoVadis assessment or whose sustainability assessments have expired.

### Identified priority risks and risk aspects

The initial, preliminary results of the screening to date, the due diligence processes, and the risk analyses and assessments show that there are currently no identifiable human rights or environmental risks with a high or very high probability of occurrence at the Rheinmetall Group, neither in its own business area nor in its supply chain.

Rheinmetall will ultimately publish the identified priority risks and risk aspects in the next policy statement update.

### Remedial action

If Rheinmetall ever finds out that its business activities are contributing to or are indirectly involved in potential or actual human rights violations, it will endeavor to take appropriate remedial action through the relevant channels. Internal processes have been refined for this purpose. They stipulate what action should be taken if violations are uncovered and how to define suitable remedial action and reparations both in the company's own business area and at indirect and direct suppliers.

If we ourselves or one of our business partners ever discovers that human rights and/or environmental due diligence obligations have been violated or a violation of this nature is imminent, we will, without undue delay, take action to prevent, end or minimize the extent of this violation. If misconduct on the part of our employees ever leads to infringements of human rights or associated environmental rights, we will take counteraction and sanction this misconduct.

If a direct supplier has ever violated a human rights or environmental legal position, Rheinmetall will define the appropriate action to be taken. This ranges from putting a stop to the offending misconduct through preventive measures by means of training and audits right through to working toward suitable remedial action, and suppliers will be required to implement this action in order to continue their working relationship with Rheinmetall. Rheinmetall reserves the right to impose a contractual obligation on its business partners to assist in investigating these matters and cooperate fully within a reasonable time frame. Depending on the extent and/or severity of the violation, we reserve the right to be given a reasonable opportunity to respond – starting with issuing a request for the misconduct to stop immediately through initiating legal proceedings right up to temporarily suspending or even terminating the business relationship.

If we have good reason to suspect or there is actual evidence to suggest that violations have already been committed by indirect suppliers or tangible evidence from ongoing 360° media coverage substantiates a claim that a human rights or environmental obligation has been violated, our initial response will be to carry out an ad hoc risk analysis. If we receive positive corroboration of the circumstances under investigation, we will take immediate action using all the legal and physical means at our disposal to prevent, end or minimize the extent of this violation.



### Preventive measures

On the basis of the risk analyses we have carried out and their results, we are defining objectives and measures in the appropriate areas, which will be adjusted and reviewed if new results or findings come to light. Reasonable and appropriate measures are being implemented at various levels of our partnerships to achieve the objectives set out and mitigate the priority risks and risk aspects.

We want to encourage the effective implementation of human rights and environmental due diligence processes within our own business area with the following preventive measures:

- Adherence to our Code of Conduct and Principles of Social Responsibility
- Appointment of a human rights officer to oversee risk management
- A comprehensive compliance management system
- Topic-specific questionnaires
- Training and communication concepts
- External audits
- ISO 14001, ISO 50001 and ISO 45001 certifications
- Performance of risk-based control measures
- Enforcement of sanctions in the event of violations
- Implementation of sustainable procurement strategies and purchasing practices
- Implementation of the human rights strategy set out in the policy statement
- Implementation and publication of this policy statement
- Internal information campaigns
- Topic-based ongoing training for employees at various levels of the organization
- Communication of specialist knowledge in the relevant business areas
- Risk-based and targeted training for employees in the Human Resources, Purchasing, Compliance and Corporate Social Responsibility departments
- Dialog with stakeholders
- Engagement in various sector initiatives

By raising awareness among and imposing obligations on our contracting partners, we will create a set of hard-and-fast rules to reinforce the safeguarding of human rights and mindfulness of environmental concerns within the supply chain. In the interest of continuing to improve its social and environmental performance, Rheinmetall is making arrangements with its suppliers not only to undertake mandatory training in certain areas but also to put in place various control mechanisms (e.g. corrective measures, rights of information, audits, certifications) to ensure that requirements are met. Not only this, but transparency and inclusion of human rights and environmental aspects are also being incorporated in the supplier evaluation process.

### Effectiveness monitoring

At least once a year and on an ad hoc basis, we will monitor whether our processes for fulfilling due diligence obligations and the measures we have put in place to prevent or minimize negative human rights or environmental impacts are functioning effectively and whether our topic-specific, structural and procedural requirements are being met, adopting a risk-based approach. This is based around the priority risks and risk aspects, the impacts and the objectives of the measures being taken. Our approach also includes risk-based monitoring to determine whether our Code of Conduct and the Supplier Code of Conduct are being adhered to. Appropriate KPIs are being defined to measure and record the progress and functionality of our process for fulfilling due diligence obligations.

## Procedure for fulfilling due diligence obligations

At our suppliers, we monitor the effectiveness of our measures based on the acceptance rate of the Supplier Code of Conduct and the progress noted in the results of the multi-step supplier evaluation, by monitoring the degree of implementation of the corrective measures we have initiated and, where applicable, also through additional on-site supplier audits that we either perform ourselves or have performed by external third parties. Rheinmetall also monitors the effectiveness of its existing complaints mechanisms with the help of the effectiveness criteria contained in the United Nations Guiding Principles on Business and Human Rights both on an annual and ad hoc basis, in the event of significant changes to the risk situation or tangible evidence of limitations within the complaints management process. We also investigate every single indication of human rights violations and monitor the effectiveness of our training and further education measures in this regard.

### Complaints procedure

Complaints procedures enable individuals or groups who are affected by negative impacts on their human rights or feel as though their human rights are being put at risk (or their representatives) to raise their concerns. For potential victims and witnesses of human or environmental rights infringements or compliance violations, having easy access to whistleblower channels in plain language is vital. That is why we have made an appropriate and effective complaints management procedure an integral part of our due diligence processes. It comprises a number of whistleblower channels available in various languages, which provide the option of making confidential or even anonymous reports or complaints and give users all the appropriate information. The rules of procedure for the reporting process are publicly available.

Individuals reporting eye witness accounts of dubious procedures, specific breaches of rules or potentially unlawful business practices can contact the compliance organization either via the electronic whistleblower platform “Integrity Line” or directly. Employees and external third parties can get in touch with the ombudsman by making a call or by e-mailing [speakup@rheinmetall.com](mailto:speakup@rheinmetall.com) or [social.compliance@rheinmetall.com](mailto:social.compliance@rheinmetall.com), and can even speak to a specialist compliance officer directly over the phone. We endeavor – within the realms of possibility and our sphere of influence – to protect whistleblowers and persons registering complaints against any discrimination or recrimination in connection with the reports they have made.

All reports, however they are received, are documented and assessed to make sure they are reliable, before being systematically analyzed and processed in a manner that is transparent to all parties, balanced, predictable and standardized. Management guidelines on how to handle suspected violations confidentiality and how to process compliance cases in a standardized manner are in place to ensure that reports are always processed in an impartial, transparent and fair manner. Inquiries are consistently initiated on this basis and appropriate actions are taken to properly investigate the reported incident, in certain circumstances with the involvement of external specialists. Confidentiality and discretion are the first priority here. Where required, we involve the relevant authorities and cooperate with them in their investigations. The individuals who registered the complaints are kept informed about the ongoing progress of the investigations.

Based on the outcome, effective measures are identified, initiated and monitored. The systematic handling of complaints and their outcomes also serves to continuously improve our processes for handling human rights and environmental issues.

We monitor the effectiveness of our complaints mechanisms at least once a year and on an ad hoc basis, when required due to significant changes to our risk profile either concerning our own business activities or those of our direct suppliers.

## Reporting and documentation

Transparent communication regarding human rights challenges is an integral part of human rights due diligence. The Executive Board is kept informed on a regular and ad hoc basis about the actions being taken to implement and comply with legislation.

Routine and, in certain circumstances, ad hoc internal reporting to various bodies, central departments and committees on the human-rights-related findings of our continuous risk analyses as well as consulting information from the complaints mechanisms and information on the effectiveness of remedial action and preventive measures being taken ensures that the company is always in a position to make informed decisions. Other departments such as Occupational Health and Safety and Environmental Protection report on a regular and ad hoc basis not just to the areas with functional responsibility but also, additionally, to the Group Social Compliance Officer in accordance with clearly defined requirements in the context of the German Supply Chain Due Diligence Act.

Rheinmetall discloses information pertaining to its human rights due diligence obligations in the following ways:

- In the Non-Financial Report (Annual Report) published annually and from fiscal 2024 onward in the Sustainability Statement (Annual Report) to be published annually in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD)
- In the ESG Factbook Report published annually
- In a Communication on Progress Report on implementing the Ten Principles of the UN Global Compact
- On the company website
- On the intranet

In the first quarter of 2024, we will report for the first time for fiscal 2023 – and from then on annually – to the German Federal Office for Economic Affairs and Export Control in line with the BAFA Survey Report Template on the significant human rights and environmental risks we have identified. We will also explain what remedial action and preventive measures we have taken, how we are assessing their effectiveness and the conclusions we have drawn with a view to continuously improving our process for fulfilling due diligence obligations. This report will be published on our website.

The fulfillment of due diligence obligations under the German Supply Chain Due Diligence Act (LkSG) is documented on an ongoing basis. The main methods of documentation include:

- Transparent publication of the Code of Conduct and the Supplier Code of Conduct on the company's homepage
- Freely accessible publication of this policy statement, which will be reviewed annually and updated where required, for a minimum period of seven years on the company's homepage
- Internal documentation of relevant guidelines
- Internal documentation of relevant measures such as the findings of abstract and specific risk analyses, risk assessments, priority risks and risk aspects, training and information from the whistleblower system
- Internal documentation of the remedial action and preventive measures being taken from an internal and external perspective
- Freely accessible publication (in the future) of the LkSG Report on the company's homepage for a minimum period of seven years

## Implementing this policy statement

### About this policy statement

This policy statement has been adopted by the Executive Board of Rheinmetall AG. It will enter into force when it is signed and will supplement the Code of Conduct and the Principles of Social Responsibility (International Framework Agreement Fair2All). It will be made accessible in a suitable format to all employees and their representative bodies and will be published.

No individual or third-party rights or claims can be derived from this policy statement. It does not apply retroactively. The design and direction of the existing management systems will be outlined in more detail in a separate internal guideline on implementing this statement.

The policy statement should be seen as a supplement to existing EU regulations and to any national laws. Directly and indirectly controlled Group companies and members of the executive bodies and employees of these companies are not entitled, subject to local legal requirements, to put in place any regulations that deviate from the contents and requirements of this statement.

If there are any doubts regarding the interpretation or application of this policy statement, the German version shall take precedence. If there is a conflict between national legislation and the contents of this policy statement, the central compliance organization will work with the relevant Group company to achieve an outcome that comes as close as possible to the intended aim of this policy statement.

### Outlook

By respecting human rights and by implementing human rights and environmental due diligence obligations in our business processes, we believe we are making an important contribution to improving human rights records across our international supply chains.

The challenges and requirements for companies with regard to respecting human rights and associated environmental rights are in constant flux. In this respect, we will critically assess our human rights position and its implementation on a regular basis to ensure it remains relevant and effective, and we will make further adjustments and refinements as we go along. This will allow us to pick up on major changes in Rheinmetall's immediate environment and incorporate them in our internal processes.

As part of our governance activities, this policy statement will be reviewed and revised, where necessary, on a routine and ad hoc basis in line with the findings of risk analyses; for example, when a risk analysis is prompted by a new business activity or is carried out prior to strategic decisions or prior to changes to existing business activities. If we identify changed or elevated risks, we will update it immediately.

We consider it an important part of our due diligence obligations to raise awareness among our employees on the importance of respecting human rights and to pass on the specialist knowledge required to implement human rights due diligence processes effectively. With this purpose in mind, we deliver regular training on the above.

## Contact

You may address any comments and questions regarding this policy statement or other human rights and environmental issues as well as any complaints or reports of non-compliance with this policy statement to:

### **Social Compliance**

Michael Salzmann  
Group Social Compliance Officer  
Phone: +49 211 473-4712  
social.compliance@rheinmetall.com

### **Corporate Social Responsibility**

Sabine Becker  
Head of Corporate Social Responsibility  
Phone: +49 211 473-4557  
csr@rheinmetall.com

You may also use the whistleblower channels listed in the section outlining the complaints mechanism.

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This statement is available in German (original version) and in English (non-binding translation).  
Both versions are available to download online at [www.rheinmetall.com](http://www.rheinmetall.com).

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# **TAKING RESPONSIBILITY** IN A CHANGING WORLD