



# SUPPLIER CODE OF CONDUCT OF THE RHEINMETALL GROUP

As a listed stock corporation with its head office in Düsseldorf, Rheinmetall AG is an integrated technology group with solid, internationally successful operations in the markets for environmentally friendly mobility and threat-appropriate security technology.

Rheinmetall AG has a longstanding tradition meaning that for us, sustainability is not just a buzzword but a central component of corporate management. Rheinmetall has around 23,000 employees working for it at over 110 locations in 29 countries on every continent. Respect for the applicable laws and regulations is a priority for Rheinmetall. In addition, social and environmental aspects, such as human rights, working conditions and environmental protection are key pillars.

Rheinmetall expects its suppliers to consider and comply with the following regulations and standards.

## **1. HUMAN RIGHTS**

1.1 Rheinmetall expects its suppliers to comply with internationally recognized human rights such as the United Nations' Universal Declaration of Human Rights.

1.2 Rheinmetall expects its suppliers to ensure equal opportunity in employment and to refrain from any discrimination unless national law explicitly permits selection being based on certain criteria. Employees may not be treated differently on account of gender, race, skin color, any possible disability, origin, religion, age or on account of sexual orientation (ILO Convention No. 100, No. 111 and No. 159, source: <http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12000:0::NO::> ).

1.3 Rheinmetall expects its suppliers to forbid any type of forced labor (ILO Convention No. 29 and 105), bonded labor or involuntary work as well as child labor (ILO Convention No. 138 and No. 182). The minimum age of employees shall be based on the respective national law and provisions of contractual arrangements unless these fall short of the minimum employment age specified in ILO Convention No. 138.

1.4 Rheinmetall expects its suppliers not to engage in any activities associated with human trafficking and not to engage in any kind of human trafficking, not to participate in them or profit from them during the entire recruitment phase and duration of employment.

## **2. WORKING CONDITIONS**

2.1 Rheinmetall expects its suppliers to acknowledge the right of all employees to appropriate remuneration (ILO Convention No. 100). Pay/remuneration and other benefits (benefits, vacation etc.) shall take account of the principle of fairness and comply at least with the respective national legislation or the level of the national economic sectors / industries.

2.2 Rheinmetall expects its suppliers to apply and comply with the respective national regulations and agreements on working hours and on regular paid vacations.

2.3 Rheinmetall expects its suppliers to ensure occupational safety and health protection at the workplace pursuant to the respective national legislation and to ensure continuous further developments to improve working conditions take place.

## **3. FREEDOM OF ASSOCIATION**

3.1 Rheinmetall expects its suppliers to acknowledge the right of employees to freely form or join trade unions of their choice (ILO Convention No. 87 and No. 98). Suppliers shall accept the establishment of workforce or trade union representation of employees and welcome it in a positive manner, unless it conflicts with the respective national legislation.

## 4. ENVIRONMENT

4.1 Rheinmetall expects its suppliers to comply with the national environmental legislation, regulations and standards applicable in each case. The supplier shall aim to introduce an environmental management system, which meets the requirements of ISO 14001 (source: <https://www.iso.org/iso-14001-environmental-management.html>), of the EMAS (source: <http://www.emas.de/home/>) Regulation of the European Union or a comparable national standard and the effectiveness of which is demonstrated through an audit or certification system.

4.2 Rheinmetall expects its suppliers to ensure that the most effective environmental protection measures are in force in their production and environmental impacts are steadily reduced.

4.3 Rheinmetall expects its suppliers to ensure that all products manufactured along the delivery chain including all materials used meet the relevant environmental production standards applicable in their market segment. In particular, this relates to reducing energy and water consumption, reducing greenhouse gas emissions, making more use of renewable energies and encouraging appropriate waste management.

## 5. COMPLIANCE

5.1 **Compliance requirement** -- Our stakeholders assess us on how Rheinmetall manages its business. Our reputation is therefore critical for the continuity and profitability of the Rheinmetall Group.

No legal violation can be justified on the basis of supposed business requirements. Rheinmetall therefore demands correct business conduct from its suppliers and their employees, subcontractors, intermediaries and consultants in the form of compliance with all applicable legislation, ordinances and industrial standards. Corruption or attempted corruption of any kind and other illegal practices such as fraud, extortion, embezzlement, misappropriation, tax evasion or money laundering will not be tolerated.

Rheinmetall expects the supplier to have put processes in place to monitor compliance with all applicable legislation, ordinances and industrial standards and to maintain them permanently.

5.2 **Gifts & Benefits** – Rheinmetall expects its suppliers not to have accepted, demanded or received any donations, which could lead to a conflict of interests. These include, in particular, improper donations, bribes and kickbacks or other illegal payments (e.g. to speed up routine administrative tasks) to government officials or other persons in the context of the business relationship). Processes to enforce and monitor these requirements must be introduced and applied.

5.3 **Dealing with authorities** – Rheinmetall expects its suppliers to comply with the legal regulations in dealing with government authorities and public institutions. When participating in public tenders, they shall comply with the respective legal regulations and the rules of fair and free competition.

5.4 **Use of intermediaries and consultants** – Rheinmetall expects its suppliers only to use intermediaries and consultants in compliance with the respective national legislation. In particular, they shall ensure that the remuneration paid is only granted for brokering and consulting services actually supplied and the remuneration is appropriate to the service supplied.

5.5 **Antitrust** – Rheinmetall expects its suppliers to comply with the applicable antitrust and competition provisions in force. They shall neither reach agreements that violate antitrust law (e.g. to set prices or divide markets) with competitors, suppliers, customers or other third parties nor use any dominant market position that they may have in an inadmissible manner. They must refrain from any actions, which even only give the impression of coordinated action.

5.6 **Foreign trade legislation** – Rheinmetall expects its suppliers to comply with all applicable legislation for the import and export of goods, services and information including sanctions, embargoes, ordinances, government decrees and directives.

5.7 **Prevention of money laundering** – Rheinmetall expects its suppliers to counter the channeling of illegally acquired financial resources into the economic system through suitable and reasonable measures.

5.8 **Tax honesty** – Rheinmetall expects its suppliers to pay the taxes/duties incurred because of the order in their country or third countries in accordance with the regulations and maintain appropriate documentation of this.

5.9 **Industry standards of the automotive industry** – Rheinmetall expects its suppliers, who supply the companies of Rheinmetall Automotive, to comply with the Guiding Principles of the European Automotive Working Group on Supply Chain Sustainability (source: <https://www.csreurope.org/>) and the AIAG Automotive Industry Action Group (source: <https://www.aiag.org>).

## 6. CONFLICTS OF INTEREST

6.1 Rheinmetall expects its suppliers to make decisions solely on the basis of objective, business-related criteria and not to be influenced by private or financial interests or personal relationships. Each potential or actual conflict of interest with employees of Rheinmetall will be disclosed to Rheinmetall by the supplier.

## 7. INTELLECTUAL PROPERTY / NON-DISCLOSURE

7.1 Rheinmetall expects its suppliers to respect operating and commercial secrets, the expertise and patents of Rheinmetall and third parties. Data/information made available may only be used within the framework of the business relationship for the agreed purpose and to fulfill the services for Rheinmetall unless explicit written consent for other purposes has been given. Confidential information and content must be protected from internal and external misuse and may not be published without authorization, passed to third parties or made available in other form.

## 8. RESPONSIBLE COMMODITIES PROCUREMENT

8. Rheinmetall expects its suppliers to comply with the all applicable legal regulations governing conflict materials. In the event that a product contains one or more of the so-called conflict materials (tin, tantalum, tungsten, gold or the corresponding ores), Rheinmetall expects its suppliers to be able, if requested, to ensure its delivery chain is transparent up to the smelting works or refinery (source: <http://www.conflict-minerals.com/deutsch>).

## 9. COMPLIANCE

For Rheinmetall, compliance with environmental, social and compliance rules in the value chain is of major significance. Together with our suppliers, Rheinmetall aims to improve them continuously.

The Supplier Code of Conduct is an integral part of the order. All suppliers are required to provide evidence of compliance with the Supplier Code of Conduct through a self-assessment process. Rheinmetall reserves the right to review compliance with the requirements subsequently, through audits or other measures seen as suitable by Rheinmetall, for instance, and, if applicable, to define the measures needed for improvement with the supplier.

Rheinmetall expects its suppliers to pass on the expectations and content of the Supplier Code of Conduct to its subcontractors and suppliers, to oblige them accordingly and to ensure compliance.

Each violation against the rules and standards listed in this Supplier Code of Conduct will be considered as compromising the business relationship and the contractual relationship. Rheinmetall expects its suppliers actively to clarify any suspected violations and to cooperate with Rheinmetall unconditionally in this process. Rheinmetall reserves the right to demand information about the matter in question if there is any suspicion of non-compliance (e.g. in the case of negative media reports).

Rheinmetall would like to encourage its suppliers to inform their point of contact at Rheinmetall or – if preferred also anonymously – via Rheinmetall head office of a possible violation against the rules and standards of this Supplier Code of Conduct, which is committed by a third party or a representative of Rheinmetall itself.

The Supplier Code of Conduct is available to download from the website of Rheinmetall AG, of Rheinmetall Automotive and Rheinmetall Defence. Rheinmetall reserves the right to update the content of the Supplier Code of Conduct from time to time, if legislative or regulatory changes require this.