



FAIR2ALL

GLOBAL FRAMEWORK AGREEMENT ON PRINCIPLES OF SOCIAL RESPONSIBILITY OF THE RHEINMETALL GROUP

MOBILITY. SECURITY. **PASSION.**





PREAMBLE

Rheinmetall is an international technology group for mobility and security. The company is one of the hundred largest publicly listed stock corporations in Germany. The companies of the Rheinmetall Group operate around the world and, with their international production sites, are involved in general economic, ecological, social, legal, and political circumstances in a variety of countries and regions. The Group recognizes its social responsibility and is committed to free world trade and fair competition as well as to lawful and sustainable trade conducted with integrity and social and ethical responsibility.

Sustainable economic activity has always been an integral part of the business and production processes, serving to ensure the long-term future of the corporation, which can look back at a successful history of more than 125 years. The approach that is pursued in the Rheinmetall Group is to take into account the interests of the shareholders, employees, customers, and other stakeholders as well as ecological and social aspects as far as possible in the implementation of the strategic and corporate objectives. With this framework agreement, the Executive Board of Rheinmetall AG, the European Works Council of Rheinmetall AG, and IndustriALL Global Union lay down their common principles of social responsibility.



THE RHEINMETALL GROUP

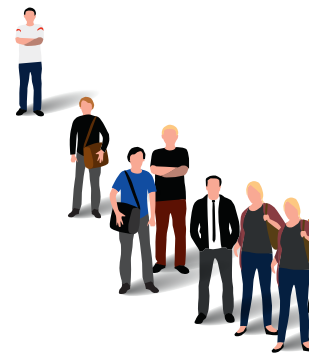
- welcomes initiatives to promote responsible entrepreneurship in the ongoing process of the internationalization of the corporation and of the increasing globalization of the economy
- recognizes the Universal Declaration of Human Rights of the United Nations in full
- follows in accordance with this agreement the core and social standards of the International Labor Organization (ILO). When nationally applicable regulations, industry standards, or this agreement cover the same subject matter, the stricter provisions always have to be applied, unless the related action would be unlawful
- seeks to prevent, as far as possible, the irreversible process of globalization causing personal anxieties and/or uncertainties among the employees of the Rheinmetall Group
- seeks to facilitate a positive perception of globalization through globally sustainable economic development and the creation of new or the preservation of existing jobs
- is convinced that the awareness of social responsibility was and is an indispensable, integral part of value-based corporate governance and an important factor in the long-term success of the Rheinmetall Group. By adopting this approach, Rheinmetall intends to make a contribution to social peace at the sites and in the companies as well as to the well-being of the employees in the future.

Using innovative technological solutions, the Rheinmetall Group can in the future also set new benchmarks in the fields of mobility and security – core fundamental needs of the modern society, which constantly open up potential for new growth and development for the company. Rheinmetall strives in the interests of all stakeholders for sustainable development of its businesses, which is based on entrepreneurial performance in addition to technological and economic capability.

In the interplay between economic efficiency, social responsibility, and sustainability, Rheinmetall makes every effort to link economic, ecological, and social objectives to medium and long-term strategic and operational planning and well as the day-to-day business decisions.

The Rheinmetall Group communicates the agreed principles to employees, customers, suppliers, institutional interest groups, and other stakeholders and expressly encourages them to consider and apply these principles in their own corporate policies.

The parties recognize their responsibility for the Rheinmetall Group and its employees, and are convinced that, by applying the principles laid down in this agreement, they can make an important contribution to the corporate culture and better cooperation within the Rheinmetall Group that extends across departments, hierarchies, and national borders.







1 HUMAN RIGHTS

1.1 HUMAN RIGHTS

The parties affirm their commitment to the internationally recognized Universal Declaration of Human Rights of the United Nations and support compliance with the principles of the Declaration with all means at their disposal.

1.2 EQUAL OPPORTUNITY AND NON-DISCRIMINATION

The Rheinmetall Group advocates equal opportunity in the selection, recruitment, employment, further advancement and promotion of employees and undertakes to avoid any discrimination, unless the related action would be unlawful.

Rheinmetall ensures that the applicable legislation on equal treatment is complied with. The employees of the Rheinmetall Group respect all people, their personal dignity, their personal rights, and their privacy. No one may be unfairly treated, discriminated against, harassed, excluded, or given preferential treatment on account of their nationality, color, ethnic or social origin, marital or family status, pregnancy or maternity, religion or belief, age, disability, physical constitution, appearance, sexual orientation, ideology and political opinion, sex, or membership of a party or as an employee or trade union representative, unless the related action would be unlawful. Employees may not be treated differently, unless the related action would be unlawful.

1.3 RESPECT, TRUST, HONESTY

The relations between members of the Executive Board, managers, and employees are characterized by respect, trust, and honesty at all levels, in all divisions and regions in the interests of achieving the common corporate objectives.

Managers and employees contribute to a productive work environment by being tolerant, cooperative, and considerate in their interaction with each other. The managers of the Rheinmetall Group set an example through their conduct at the workplace. They communicate actively and openly, and they treat their staff fairly and respectfully. They assign them responsibility in order to foster them and appreciate their performance in an appropriate way.

Human and cultural diversity is an enriching factor in their cooperation and for the corporate culture. Traditions, customs, and social values of the relevant cultural circles and countries in which the Rheinmetall Group conducts business are taken into consideration in the day-to-day operations.



1.4 PROTECTED WORK ENVIRONMENT

Based on ILO Convention 111, the parties are committed to ensuring that the dignity of all employees is protected and that they can work in an inclusive and supportive work environment free from unwanted advances or indecent proposals, derogatory remarks, physical violence, verbal abuse, psychological coercion, visual harassment, inappropriate gestures and disparaging behavior such as harassment, intimidation, threats, or bullying. Reports of misconduct will be thoroughly investigated and with due consideration for the victims and witnesses.

1.5 FORCED AND CHILD LABOR

The Rheinmetall Group rejects all forms of forced labor and does not make use of this in particular in the recruitment of workers, as a means of labor discipline, as a punishment for having participated in strikes, or as a means of racial, social, national, or religious discrimination (ILO Conventions 29 and 105). Child labor is prohibited (ILO Conventions 138 and 182). The minimum age of employees is governed by the relevant national legislation and regulations of collective agreements, provided these do not go below the minimum age of employment anchored in ILO Convention 138. The legal employment of youths may not jeopardize their physical and mental development.



2 WORKING CONDITIONS AND EMPLOYMENT

2.1 PAY/REMUNERATION

The right to appropriate remuneration is recognized for all employees. Pay/remuneration and other benefits (social security benefits, vacation, etc.) are based on the principle of fairness and comply at a minimum with the relevant national, statutory standards.

Insofar as this is common regional practice, the employees receive with the payment of their wages a calculation of their wage in writing, text or digital form, which shows all wages and additional benefits and any deductions precisely and comprehensibly. If an appropriate statement is not common regional practice, the employees can receive one on request. A verbal explanation is provided in cases where employees have reading and comprehension difficulties.

2.2 WORKING HOURS

Rheinmetall ensures that the relevant national regulations and agreements on working hours and on regular paid leave are complied with. The working hours including overtime may not exceed the existing maximum permissible working hours set by law and/or collective agreement in the respective countries.



2.3 SUSTAINABLE EMPLOYMENT

Rheinmetall recognizes the great importance of a secure job and sustainable, direct, and permanent employment. Rheinmetall endeavors to ensure that each piece of work is carried out in accordance with the applicable legal framework and exerts, within its sphere of control, its influence on external third parties that it has commissioned.

2.4 OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety are given the highest priority. Rheinmetall guarantees occupational health and safety at the workplace within the framework of the national regulations and in accordance with the agreement on health management applicable to the European Group companies (if this contains stricter regulations) and supports constant further development in order to improve the working environment, in particular the safety of the employees.

At the operating facilities of the Rheinmetall Group, managers as well as company and trade union employee representatives play a crucial role in the practical implementation of occupational health and safety. In this context, existing committees on occupational health and safety, safety officers, company physicians, and the health management steering groups cooperate as closely as possible with each other.

2.5 TRAINING

The skills and knowledge that the employees have are of tremendous importance for Rheinmetall at all locations around the world for ensuring the corporation's future. Rheinmetall therefore supports and promotes measures for raising the level of expertise of the employees.

2.6 ENVIRONMENTAL PROTECTION

The products and services of the Rheinmetall Group need to be environmentally friendly also in the future. Protecting the environment and enhancing living and environmental conditions are key corporate objectives of the Rheinmetall Group. In order to meet and comply with European and international environmental standards, we cooperate with the competent local institutions and associations.





3 ROLE OF THE EMPLOYEE REPRESENTATIVES AND TRADE UNION RIGHTS

3.1 FREEDOM OF ASSOCIATION/RIGHT TO COLLECTIVE BARGAINING

The right of the employees of the Rheinmetall Group to establish, join, and play an active part in free trade unions of their own choosing is recognized on the basis of ILO Convention 87. The exact organization of these unions depends on national laws, collective agreements, and practices.

Rheinmetall and the employee and trade union representatives need to comply with fundamental democratic principles in order to ensure that the employees can make a free and fair decision on whether they wish to establish or join an interest group and that, if they do, they can make a free decision on a representative of their own choosing. The company and the managers have to conduct themselves in a neutral manner and may not exercise an influence on the free choice of the employees by exerting pressure or otherwise intervening improperly. This does not affect the rights of the company concerning the management and operation of the enterprise (e.g. design of the working conditions), provided that the measures taken by the company as such are not aimed at obstructing the organization of a trade union.

The Rheinmetall Group follows ILO Convention 98 and accepts the right to collective bargaining and the results of collective bargaining that are produced on the basis of national regulations and that affect the relevant company of the Rheinmetall Group.

The contracting parties are granted access to the facilities following coordination with the competent management if this is consistent with the national statutory requirements and is common regional practice.

3.2 CONSTRUCTIVE COOPERATION

The companies of the Rheinmetall Group, the employees, and the company and trade union employee representatives work together openly and in the spirit of constructive and cooperative conflict management while respecting mutual interests. An equitable balance between the economic interests of the Rheinmetall Group and its respective companies and the interests of the employees is pursued..





4 EXECUTION AND IMPLEMENTATION

4.1 SCOPE

These principles of social responsibility apply to all companies of the Rheinmetall Group in Germany and abroad in which Rheinmetall exercises the industrial management. Rheinmetall also advocates in companies in which Rheinmetall does not exercise the industrial management or has a minority interest with all means at its disposal that the agreed principles on social responsibility are applied overall or comparable codes of conduct are introduced.

The principles relating to social responsibility require managers and employees at all levels to accept, comply with, and promote the agreed principles. Responsibility for this lies with the management teams of the respective company units and, where present, the employee representatives and the contracting parties.

4.2 COMMUNICATION OF THE PRINCIPLES RELATING TO SOCIAL RESPONSIBILITY




The principles are brought to the attention of all management teams, employees, and employee representatives in suitable form throughout the Group. They are available on the intranet and internet and are permanently posted on noticeboards so that they can be viewed at any time by all employees and also by external third parties. This means not least that the principles are translated into all the languages that are spoken at the sites of the Rheinmetall Group. Information and communication measures for instructing employees and also training offers for plant managers and employee representatives are discussed with the employee representatives on site and executed and implemented together.

4.3 OBSERVANCE AND COMPLIANCE BY BUSINESS PARTNERS

The Rheinmetall Group undertakes to communicate this agreement to its subsidiaries and joint ventures as well as its business partners. It encourages them also to apply the principles contained in this agreement.

Compliance with the principles contained in this agreement should be taken into consideration when selecting and evaluating suppliers, subcontractors, and service providers.

If these principles, fundamental labor standards, and health and safety regulations are breached, measures of the Rheinmetall Group against the companies in question are to be considered.



4.4 REPORTING OF MISCONDUCT AND BREACHES

The employees and their employee representatives have the right to report in writing or to submit verbally any problems, misconduct, and suspected or actual breaches of the agreed principles to the management team, the local employee representatives, the European Works Council or IndustriALL Global Union. Reports can also be sent confidentially to the compliance officers in the companies or anonymously using the electronic whistleblower system or through the ombudsman. The protection of whistleblowers has to be ensured; they may not suffer any disadvantages

4.5 HANDLING OF BREACHES

Reports of suspicious incidents, misconduct, or breaches of rules that have been observed will be thoroughly and impartially investigated with the diligence necessary.

If the complaints are substantiated, the competent officers on site will discuss suitable remedial action to begin with. They will exhaust all possibilities for resolving the conflict locally.

Confidentiality and discretion are the first priority here.

4.6 INFORMATION AND CONSULTATION CONCERNING BREACHES

If complaints and reports of fundamental importance are involved and these cannot be remedied by options at the local level, the Rheinmetall Group will follow up on the reports by involving the Employee Relations Director of Rheinmetall AG.

The Rheinmetall Group notifies the executive committee of the European Works Council of complaints and reports of this kind in good time before the committee's next meeting. In such an event, the Rheinmetall Group and the executive committee of the European Works Council consult each other and exchange proposals for a solution.


The exchange takes place during a meeting of the executive committee of the European Works Council and can be conducted with the participation of IndustriALL Global Union, which is generally represented by the trade union's European Works Council coordinator.

The Employee Relations Director of Rheinmetall AG must inform IndustriALL Global Union of the contents discussed at an executive committee of this kind immediately after the meeting.

In the spirit of cooperation based on mutual trust, the parties involved treat the information obtained in strict confidence with regard to the public.



5 FINAL PROVISIONS

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- 5.1** The parties agree that all differences that result from the interpretation and implementation of this agreement will be examined jointly with the aim of producing a solution.
 - 5.2** The agreement comes into effect from the time that it is signed. It remains in force until one of the contracting parties terminates it. Three calendar months' notice of termination has to be given to the other party in writing.
 - 5.3** The agreement ceases to be valid with immediate effect after the notice period has expired.
 - 5.4** No individual or third-party claims can be derived from this agreement. This also applies to the contracting parties, i.e. this agreement does not have any legal effect between the parties.

Düsseldorf, October 12, 2018

Executive Board of
Rheinmetall AG

European Works
Council

IndustriALL
Global Union







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