



# SUPPLIER CODE OF CONDUCT

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## GENERAL PART

The listed company Rheinmetall AG, headquartered in Düsseldorf, stands as an integrated technology group for a strong, internationally successful company in the markets for environmentally friendly mobility and threat-appropriate security technology.

The Rheinmetall Group has a tradition of over 130 years. Over 25,000 employees work for the Rheinmetall Group on all continents at 129 locations in 33 countries. Respect for applicable laws and rules, as well as social and environmental values, is central to the company's culture and governance. We expect the same commitment from our suppliers – also along their own supply chains.

The Supplier Code of Conduct defines the requirements for our suppliers with regard to the relevant social and environmental aspects such as human rights, working conditions, environmental protection and integrity in business conduct. The Supplier's agreement to this Supplier Code of Conduct and its alignment with the principles of the United Nations Global Compact serves as a binding basis for cooperation.

By incorporating this Supplier Code of Conduct into the contractual relationship, the following regulations supplement the contractual relationship for the supply of goods and the provision of services (collectively hereinafter referred to as **"Supply Agreement"**) between a direct supplier (**"Supplier"**) and the respective purchasing Rheinmetall company (**"Rheinmetall"**). The Suppliers undertake to ensure compliance with requirements relating to the environment, human rights and occupational health and safety as well as other binding requirements as the basis of the joint business relationship (**"Rheinmetall Standards"**) and also ensure their compliance along their supply chains in the provision of the contractually owed service.

## I. OVERVIEW OF RELEVANT REQUIREMENTS AND PROHIBITIONS FOR THE SUPPLIER RELATIONSHIP<sup>1</sup>

Our suppliers shall ensure the following measures:

### 1. Human Rights

- 1.1 Prohibition on forced labour, slavery, human trafficking, bonded labour or serfdom, illegal employment, and undeclared labour
- 1.2 Prohibition on child labour, including child prostitution and pornography, using children for unauthorised activities (e.g. drug trafficking) or performing harmful work
- 1.3 Prohibition on disregard for occupational and health protection (including ensuring appropriate management processes)
- 1.4 Prohibition on disregard for freedom of association and the right to collective agreements
- 1.5 Prohibition on discrimination in employment and in the employment relationship (e.g. “unequal pay”)
- 1.6 Prohibition on withholding an appropriate wage (including minimum wage requirement)
- 1.7 Prohibition on engaging or deploying private or public security forces for the protection of a business project, if this violates certain prohibition standards
- 1.8 No reprisal against human rights defenders
- 1.9 Protecting local communities and indigenous peoples
- 1.10 Compliance with Conflict Minerals Regulation in accordance with Appendix II of the OECD Guidelines
- 1.11 Compliance with internationally recognised human rights standards based on the United Nations Declarations, OECD Guidelines and National Action Plan
- 1.12 Adherence to the principles of the United Nations Global Compact

### 2. Environmental protection

- 2.1 Prohibition on causing harmful soil alteration, water contamination, air contamination, harmful noise emissions or excessive water consumption
- 2.2 Prohibition on unlawful eviction and prohibition on unlawful deprivation of land, forests and waters
- 2.3 Prohibition on the production of mercury-containing products, the use of mercury and mercury compounds in manufacturing processes, and the unlawful treatment of mercury waste in accordance with the Minamata Convention
- 2.4 Prohibition on the production and use of chemicals (“persistent organic pollutants”) under the Stockholm Convention
- 2.5 Prohibition on the environmentally incompatible handling, collection, storage and disposal of waste in accordance with the Stockholm Convention
- 2.6 Prohibition on the export of hazardous waste and other wastes pursuant to the Basel Convention and Regulation (EC) No. 1013/2006 of the European Parliament and of the Council of 14

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<sup>1</sup> For detailed descriptions of the legal requirements and those specific to Rheinmetall, see Appendices I and II.

- June 2006 on the transport of waste; prohibition on the export of hazardous wastes from countries listed in Annex VII of the Basel Convention to countries not listed in Annex VII; prohibition on the import of hazardous waste and other waste from a non-party to the Basel Convention
- 2.7 Protecting climate, biodiversity, deforestation-free supply chains and water/water quality
- 2.8 Compliance with applicable national environmental laws, regulations and standards.
- 2.9 Ensuring the best possible environmental protection in production, continuous reduction of environmental impacts, the use of energy management systems and ensuring energy efficiency
- 2.10 Compliance with the relevant environmental standards of their market segment for all products manufactured along the supply chain, including all materials used
- 2.11 Compliance with the provisions of the REACH Regulation and RoHS Directive
- 2.12 Exclusive supply of components and products that meet the contractually defined criteria for active and passive safety and can thus be used safely according to their intended purpose.

### 3. Compliance requirements

- 3.1 Establishment of processes to monitor compliance with and continuously review all applicable laws, sanctions, regulations and industry standards
- 3.2 Establishment of processes to protect against plagiarism of own products
- 3.3 Establishment of processes for the protection of the intellectual property of Rheinmetall (“know-how and patent protection”)
- 3.4 Establishment of processes to ensure product safety
- 3.5 Prohibition on corruption, bribery, fraud and knowingly entering into conflicts of interest in connection with the business relationship with Rheinmetall
- 3.6 Prohibition on collusive agreements in violation of competition law and antitrust law
- 3.7 Prohibition on money laundering and terrorist financing
- 3.8 Ensuring the transparency necessary for the business relationship with Rheinmetall with regard to the ownership structure, registrations, approvals and permits of the Supplier
- 3.9 Ensuring adequate data protection, information security and documentation standards
- 3.10 Compliance with applicable tax and duty regulations (“Tax Honesty”)
- 3.11 Compliance with applicable foreign trade regulations
- 3.12 Meeting Automotive Industry Standards (for Automotive Suppliers only)

## II. SPECIAL OBLIGATIONS

The following regulations supplement the respective supply contract between the Supplier and Rheinmetall for the purpose of compliance and enforcement of the Rheinmetall Standards by the Supplier and along the supply chain.

### 1. Obligation of the Supplier with regard to its contractually owed service

- 1.1 The Supplier undertakes vis-à-vis Rheinmetall to comply with the standards specified in this Supplier Code of Conduct and its appendices in the performance of its activities. This includes all activities of the Supplier domestically and abroad, in particular all processes from the extraction of raw materials to the delivery of the products or the provision of other services.
- 1.2 The Supplier undertakes vis-à-vis Rheinmetall to protect and comply with the human rights and protected environmental resources listed in **Appendix I**. Such compliance is required not only by Rheinmetall's suppliers themselves, but also along their supply chain.
- 1.3 The Supplier further undertakes vis-à-vis Rheinmetall to protect and comply with the other Rheinmetall standards listed in **Appendix II**.
- 1.4 Rheinmetall shall carry out regular and event-related risk analyses with regard to the Supplier in accordance with the requirements of the Supply Chain Due Diligence Act ("**LkSG**"). If this results in additional expectations for the Supplier, e.g. due to an increased risk situation, in order to achieve the protection goals of the LkSG, Rheinmetall shall inform the supplier of this in writing. The Supplier must then meet these additional expectations within a reasonable period of time from receipt of the notification and generally prove their implementation within one year. The preceding sentences of this paragraph apply accordingly if Rheinmetall adapts the Supplier Code of Conduct to the extent necessary to ensure a sufficient required standard of protection within the supply chain with regard to the Rheinmetall standards. An adjustment is particularly necessary if this is required to comply with the specifications of the LkSG or if a relevant adjustment requirement has been identified by Rheinmetall based on new findings or assessments based on the risk analysis required by law.

### 2. Supplier's obligation with regard to its direct and indirect suppliers

- 2.1 The Supplier undertakes, vis-à-vis Rheinmetall, to take the following measures with regard to the incorporation and passing on of the Rheinmetall standards along its supply chain, in particular to its own suppliers (including service providers):
- 2.2 The Supplier shall adopt and pass on the provisions of this Supplier Code of Conduct along the supply chain to its respective contractual partners. This means that
  - a) the Supplier bases the business relationships with its suppliers on the Rheinmetall standards and in particular obliges them to comply with such standards;
  - b) the Supplier also strives to ensure compliance with the Rheinmetall standards as far as possible - e.g. by agreeing on transfer clauses with its suppliers - even in relation to indirect suppliers;
  - c) the Supplier identifies risks in accordance with Rheinmetall standards within the supply chain through regular and ad hoc risk analyses (in the event of a changed risk situation,

e.g. in the event of a changed political situation concerning its suppliers) and takes appropriate measures to avoid or eliminate such risks or possible violations of the Rheinmetall standards. This also means, in particular, that in the event of suspected violations and in order to safeguard supply chains with increased risks, the Supplier shall immediately inform Rheinmetall about the identified violations and risks as well as the measures taken, and shall define measures, together with Rheinmetall, to eliminate the risks of possible violations of protected resources along the supply chain immediately and permanently; and that

- d) the Supplier shall, where and to the extent appropriate, agree on auditing and information rights with its suppliers that enable the Supplier to adequately and effectively monitor the compliance of the direct suppliers with the above obligation.

### 3. Supplier Information Obligations

- 3.1 The Supplier shall inform Rheinmetall in writing on a case-by-case basis and/or at Rheinmetall's request, and otherwise every two years without being requested to do so, about the implementation of its obligations under this Supplier Code of Conduct in the previous reporting period.
- 3.2 The Supplier must inform Rheinmetall in writing of significant incidents, in particular violations, substantiated suspicions and difficulties in complying with this Supplier Code of Conduct and in addressing the Rheinmetall standards in the supply chain immediately after becoming aware of them. This can be done directly with the responsible buyer or openly/anonymously via the established complaint and whistleblower channels (see also Clause 6.2). The legitimate interests of the Supplier as well as the observance of the rights of employees, in particular data protection and the protection of trade secrets, must be maintained in the notification. This also applies to violations by third parties used by the Supplier (e.g. suppliers or subcontractors).
- 3.3 Upon request, the Supplier shall promptly provide Rheinmetall with all necessary information in writing that Rheinmetall reasonably requires or justifiably demands in order to verify compliance with the Rheinmetall standards along the supply chain and to verify compliance with the Supplier's obligations arising therefrom. In this context, Rheinmetall shall take due account of the legitimate business interests of the Supplier as well as data protection aspects.

### 4. Auditing at the Supplier's premises

- 4.1 If and to the extent appropriate, Rheinmetall may regularly audit the Supplier for compliance with the obligations under this Supplier Code of Conduct, at least once a year and, if necessary, more than once a year.
- 4.2 The audit must be carried out during the usual business hours of the Supplier and does not have to be announced in advance by Rheinmetall for the purpose of effective control.
- 4.3 The Supplier shall grant Rheinmetall access to all documents, business areas and premises relevant for the audit and shall cooperate with Rheinmetall in the best possible way during the audit. During the audit, Rheinmetall shall take due account of the legitimate business interests of the Supplier as well as data protection aspects. In addition, Rheinmetall is obliged to maintain secrecy with regard to the subject matter and the results of the audit in relation to third parties within the framework of the statutory provisions.

- 4.4 Rheinmetall is entitled to have the audit performed by a third-party company and must protect the legitimate business interests of the Supplier and protect data protection aspects, e.g. by entering into appropriate confidentiality agreements with the third-party company.

## 5. General duty of cooperation of the Supplier

- 5.1 The Supplier undertakes to cooperate with Rheinmetall to remedy violations of the Rheinmetall standards and to ensure the fulfilment of its obligation to comply with the Rheinmetall standards in its own business area and to ensure the greatest possible compliance with the Rheinmetall standards along its supply chain with due diligence.
- 5.2 At the request of Rheinmetall, the Supplier is obliged to participate annually or on specific occasions with a suitable number and group of employees in training courses provided by Rheinmetall or by external third parties, which will be free of charge for the Supplier and which serve to prevent violations of the Rheinmetall standards. This obligation does not apply if the Supplier proves by submitting the appropriate documentation that it has adequately trained a suitable number and an appropriate group of employees in terms of content equivalent to the training offered by Rheinmetall.

## 6. Complaint mechanism

- 6.1 The Supplier shall actively clarify any suspected cases of violations of the Rheinmetall standards and shall cooperate with Rheinmetall without reservation. Rheinmetall reserves the right to request information about the relevant facts in the event of suspected non-compliance (e.g. in the case of negative media reports).
- 6.2 The Supplier is obliged to report any violation of the rules and standards of this Supplier Code of Conduct, which is committed by a third party or an employee or representative of Rheinmetall and which has a reference to its own business area or the supply chain of Rheinmetall, to Rheinmetall - if necessary also anonymously - via <https://rheinmetall.integrityline.org/>.
- 6.3 The Supplier shall inform its employees and suppliers of the availability and anonymous usability of the Rheinmetall complaint mechanism and request that they pass on the information to the whistleblower system along the supply chain.
- 6.4 Supplier warrants that it will not take any adverse action or discipline against the whistleblower in connection with the handling of such information.

## 7. Legal consequences for Supplier violations

- 7.1 If the Supplier breaches its obligations under this Supplier Code of Conduct or a breach is imminent, reasonable remedial action must be taken immediately to ensure the performance of its obligations, prevent, terminate or minimise the extent of the breach.
- 7.2 If possible, Rheinmetall must first give the Supplier the opportunity to establish a binding deadline plan together with Rheinmetall immediately to avert, terminate or minimise the violation or risk.
- 7.3 If the establishment of such a deadline plan is obviously unsuitable for the prevention, termination or minimisation of the violation or the risk, or if such a deadline plan is not immediately

established by the Supplier or if the implementation of the deadline plan fails, Rheinmetall may suspend the business relationship until the Supplier has ended the violation.

7.4 Each party also has the right to terminate the contractual relationship with immediate effect for good cause if the legal requirements are met, i.e. if the terminating party cannot be expected to continue the contractual relationship until the next ordinary termination date. A good cause from the perspective of Rheinmetall exists in particular if

a) the Supplier commits a breach of its obligations under this Agreement or a breach by the Supplier is imminent; and

the Supplier does not take any appropriate remedial action to prevent, terminate or minimise the extent of the breach despite a warning by Rheinmetall and expiry of a reasonable period of time to fulfil its obligations; and

the breach of duty or the breach is substantial or involves a substantial number of cases;

b) despite a warning by Rheinmetall and the expiry of a reasonable period of time, the Supplier does not cooperate in the preparation of a schedule of deadlines or refuses its cooperation in any way whatsoever;

c) the Supplier, for reasons for which it is responsible, fails to implement essential specifications of a time schedule despite a reminder from Rheinmetall and expiry of a reasonable period or refuses to cooperate in any way whatsoever;

d) Due to the materiality of the breaches of duty by the Supplier, continuation of the contractual relationship is unreasonable for Rheinmetall; unreasonableness may exist in particular due to repeated or intentional breaches, due to the materiality or the plurality of breaches and may also result from the fact that breaches of duty are committed by direct or indirect subcontractors of the Supplier which are not remedied within a reasonable period of time.

7.5 In addition to the right for Rheinmetall to claim damages, the Supplier is obliged to indemnify Rheinmetall from all consequences resulting from violations of this Supplier Code of Conduct for which the Supplier is responsible, in particular from fines and penalties as well as from claims of third parties or authorities.

## 8. Provision of the current Supplier Code of Conduct

The Supplier Code of Conduct is available for download on the Rheinmetall website ([www.rheinmetall.com](http://www.rheinmetall.com)) in the currently valid version.

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