



MODERN SLAVERY

STATEMENT YEAR

2021

This Modern Slavery Statement is a joint statement of Rheinmetall Defence Australia Pty Ltd as the main operating entity in Australia and other Australian domiciled trading and wholly-owned Rheinmetall entities (as listed below and combined as “Rheinmetall Defence Australia; we”) for the financial year ending 31 December 2021:

INTRODUCTION

- Rheinmetall Defence Australia Pty Ltd, (ACN 137 668 092);
- Rheinmetall MAN Military Vehicles Australia Pty Ltd, (ACN 114 035 595);
- Logistic Solutions Australasia Pty Ltd, (ACN 082 483 154).

This is Rheinmetall Defence Australia’s second annual Modern Slavery Statement. The statement describes what the Rheinmetall entities in Australia together with overseas-

located corporate roles (e.g. Compliance Department, Corporate Social Responsibility Department) within the Rheinmetall Group have actioned in 2021 and earlier to prevent modern slavery and human trafficking activities in its supply chain or in any other parts of the business. Acting in consultation with related entities, which we own or control in Australia. Rheinmetall Defence Australia is headquartered at the Military Vehicle Centre of Excellence production facility in Redbank,

Queensland and has offices in Adelaide, Canberra, Melbourne and Townsville. All procurement activities in Australia are managed centrally by Rheinmetall Defence Australia Pty Ltd. Management and employees of Rheinmetall Defence Australia are proud of the steps already taken and are committed to improving further Rheinmetall Defence Australia’s practices to combat modern slavery.

ORGANISATIONAL STRUCTURE

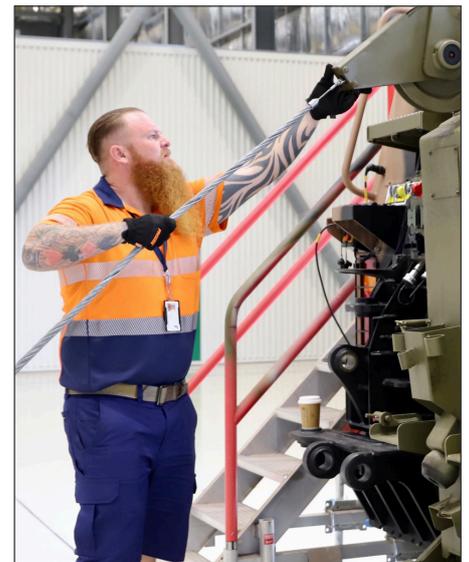
Rheinmetall Defence Australia is a manufacturer and service provider in the defence sector that is wholly-owned by Rheinmetall Group “Group”. The Rheinmetall Group of companies consists of a group of international companies with leading technologies in the mobility and security industry segments. The Group comprises Rheinmetall Aktiengesellschaft (Rheinmetall AG), a publically listed corporation in Germany and its subsidiaries. Rheinmetall AG is the parent company of the Rheinmetall Group and has its registered office in Düsseldorf, Germany.

The Group has over 25,000 employees worldwide with global annual consolidated sales of approximately A\$ 8.7bn (EUR 5.7bn).

It operates through 160 subsidiaries in Europe, America, Asia, Africa and Australia. The Australian workforce had more than 500 employees at the end of December 2021.

Rheinmetall Defence Australia is organised into three main business divisions:

- **Vehicles Systems:** production and development of military vehicles and turrets;
- **Electronic Solutions:** production and engineering of simulation, training systems and fire control solutions; and
- **Weapon and Ammunition:** production and engineering of armour systems and weapon assembly.



SUPPLY CHAIN

The Rheinmetall Group acquires goods and services from countries all over the world to manufacture its products. Due to the extensive and highly diverse product portfolio in the automobile and defence industry, some of the supply chains of the Rheinmetall Group are complex, globally fragmented and subject to rapid change.

In 2021, the geographical distribution of suppliers (in number) was:

- 49%- Germany;
- 21%- Other EU countries;
- 21%- OECD-countries (excl. Germany and the EU); and
- 9%- from non OECD-countries.

SUPPLY CHAINS in the defence industry are characterised by complex relationships and limited supply markets constrained by proprietary products or technology and

specialised certifications. The high proportion of specific materials and processes combined with a broad product range leads to a significant proportion of single and sole-sourcing as only few companies have the capability to manufacture the products or command the processes. Military authorities as end users of our products qualify defence products based on performance, the manufacturing process, manufacturing location and suppliers.

We have and continue to expand and qualify a broad network in Australia to support delivery of Australian Industrial Capability commitments and introduction of Australian suppliers to the Rheinmetall global supply chain. Rheinmetall Group products are dependent on high quality raw materials, components and a well-qualified supply base. The Group seeks a high degree of quality assurance through internationally recognised standards, such as

ISO 9001, from its suppliers. Environmental, Social and Governance (ESG) criteria also form part of the evaluation and selection process when considering new supplier relationships as well as ongoing surveillance.

Suppliers within Rheinmetall Defence Australia's supply chain are required to sign an acknowledgement of the supplier code of conduct, which specifically addresses global:

- a. Human rights;
- b. Working conditions;
- c. Freedom of association;
- d. Environment;
- e. Compliance;
- f. Conflicts of interest; *and*
- g. Responsible commodities procurement.

Rheinmetall Defence Australia recognises the complexity of Human Rights and Modern Slavery Risk and the potential ramifications on its business operations and supply chains. We undertook an assessment of our Modern Slavery Risks and engaged with stakeholders for their input. We evaluated that areas of increased risk of modern slavery are sourcing non-production material which have been manufactured overseas in non-OECD-countries using low skill labour, and services provided by suppliers in Australia that may utilise low skill labour. As a consequence of this assessment, we improved our supplier selection process by adding modern slavery awareness activities, including additional due diligence checks. Rheinmetall Defence Australia will continue with risk assessments and monitoring activities to mitigate and manage modern slavery Risk, and protect human rights. Risk assessments are frequently renewed based on the individual risk rating of the supplier.

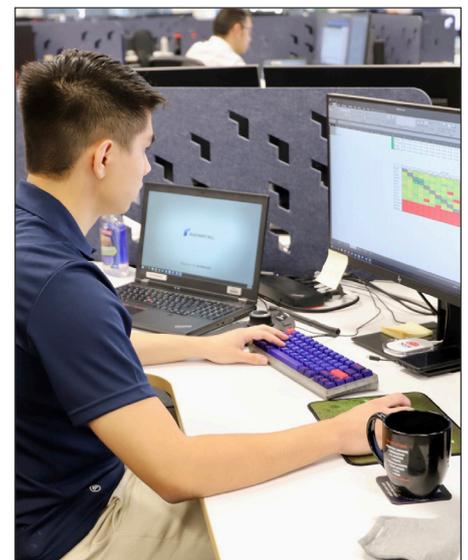


DUE DILIGENCE PROCESS FOR ANTI-SLAVERY AND HUMAN RIGHTS

As part of our initiative to identify Modern Slavery and mitigate associated risks in our business and supply chain, we engage a central Compliance Assessment and Monitoring team. This team uses a set of defined and below listed criteria to perform business partner reviews for new and existing suppliers, which also include Corporate Social Responsibilities, such as Human Rights and environmental factors:

- a. Geographic;
- b. Sector and Industry;
- c. Product and Services;
- d. Entity and its Representatives; and
- e. Political Influence.

Rheinmetall Defence Australia has implemented a risk based approach to identifying and mitigating supply chain risk across a number of factors including Health Safety and Environment (HSE), Defence Security, Financial Security, and modern slavery compliance risk. The Third Party Assessment process helps to identify and assess potential risk areas, mitigate the risk of modern slavery and monitors potential risk areas in our supply chains. In 2021, the result of the new supplier screening exercise for Rheinmetall Defence Australia was overwhelmingly positive, the majority of our suppliers (predominately based in Australia, New Zealand or Western Europe) were rated as low risk. One potential supplier was rated as high risk and consequentially no business relationship was established with this organisation.





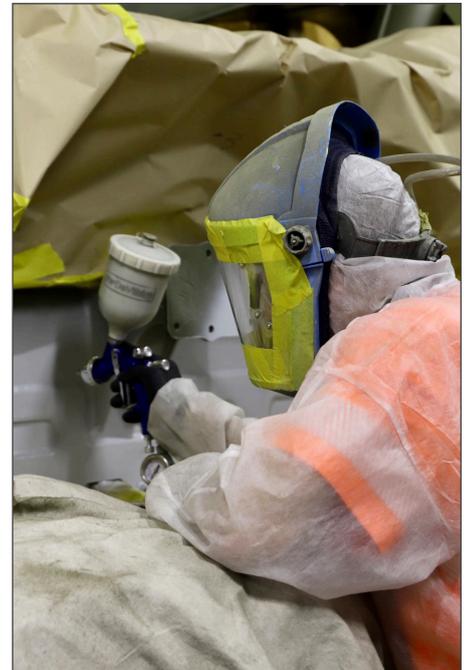
HUMAN RIGHTS AND MODERN SLAVERY

The protection of human rights is an integral part of the Group's social responsibility and anchored in the Rheinmetall Group guidelines such as the Code of Conduct, the Supplier Code of Conduct, the Modern Slavery Policy and the principles of social responsibility. All policies and their changes are applicable to all staff globally and are distributed to staff by a central online information system, newsletters and enforced by training. Rheinmetall Defence Australia rates the risk that human rights will be violated in the employment of staff at its Australian locations to be low.

We require suppliers to comply with the principles laid down in the Supplier Code of Conduct. Furthermore, the Group expects its suppliers to abide by internationally

recognised human rights such as the United Nations' Universal Declaration of Human Rights.

On 13 April 2021, Rheinmetall Group joined the global network United Nations Global Compact. The UN Global Compact is the world's biggest sustainability initiative with 12,765 companies from 160 countries. As a signatory, the Group is committed to running its business in accordance with 10 universally acknowledged principles relating to human rights, labour standards, environmental protection and combatting corruption. Furthermore, all signatories are obliged to report annually on their progresses regarding implementation.



TRAINING

During 2021, RDA continued to raise awareness through general training on human rights and modern slavery across our workforce. All new staff in Australia must complete the Code of Conduct eLearning module and the General Compliance Awareness training program. These programs facilitate knowledge about human rights and anti-discrimination including elements referring to the Modern Slavery Act 2018.

To ensure a high level of understanding of the risks of modern slavery in our supply chains, we provide dedicated training to all procurement staff, who are responsible for sourcing and supplier management. In 2021, we reinforced ethical values across all procurement and supply practices by rolling out Ethical Procurement and Supply training with the Chartered Institute of Procurement and Supply (CIPS). With successful completion of this program, procurement employees demonstrate their on-going commitment to ethical procurement and sustainable supply chains. We are convinced that the training provided to our procurement workforce has significantly increased their awareness of modern slavery risks. In addition to the training,

RDA has signed a Statement of Commitment to Corporate Ethical Procurement and Supply with CIPS and are now listed on the public register.

We are committed to ensuring that there are no modern slavery activities in our supply chains or in any part of our business. Our Modern Slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery is not taking place anywhere in our supply chains.



WHISTLEBLOWER SYSTEM

RDA provides a whistleblowing tool for employees and suppliers to raise any concerns with regard to matters covered by the Group's Code of Conduct. A confidential Whistleblower Hotline Service, whistleblowing policies and other implemented safeguards are protecting the identity and integrity of any whistleblower.

Any potential breach of this policy/related policies are managed in accordance with our standard processes. Any person involved in investigations into possible breaches of compliance are managed with procedural

fairness. Where we identify failures by our employees to adhere to our code of conduct and policy, we take appropriate steps to address those failings. This may involve disciplinary action, up to and including termination of employment.

Any information that is received is systematically analysed. An incident management guideline on how to deal with suspected cases aims to ensure that the handling of information is also independent, transparent and fair as well as being subject to high standards.



HEALTH, SAFETY AND ENVIRONMENT

Rheinmetall Defence Australia is committed to providing a physical and psychologically safe workplace for all employees, contractors, visitors and the wider community. We will achieve this by minimising the impact on the environments in which we work, and taking an integrated approach to managing health, wellbeing, safety and environmental (HSE) risks.

By doing this we believe our management of health and safety contributes to the health and safety of those we interact with, including our customers and partners.

We recognise that workers' performance may be negatively affected where they are

aggrieved or feel that they have not been treated fairly in the workplace. Rheinmetall Defence Australia is therefore committed to providing a workplace which is free from victimisation and values fairness, safety, and equality by providing all employees with access to a grievance and appeal procedure where they have a legitimate personal grievance related to the workplace. Rheinmetall Defence Australia encourages employees to raise grievances where they arise in line with policies and procedures. We will aim to deal with any complaints received in a prompt, sensitive, impartial, confidential and supportive way to seek a resolution and to prevent future conflict.

INDEPENDENT THIRD PARTY REVIEWS

RDA supports transparent reporting based on globally recognized standards such as the Global Reporting Initiative and – where possible – through continuous improvement of customer and Environment, Social and Governance ESG ratings from internationally renowned agencies such as MSCI, ISS ESG, Sustainalytics and Gaia.

The Human Rights and Supply Chain subcategory metric of the Global Reporting

Initiative measures a company's commitment to respecting fundamental human rights conventions, and its ability to maintain its license to operate by supporting freedom of association and excluding child, forced or compulsory labour. This subcategory covers a company's transparency in overseas sourcing disclosure and monitoring and a company's relationship with and respect for the human rights of Indigenous peoples near its proposed or current operations.

Rheinmetall Group achieved high scores and an above industry average in its CSR / ESG Results:

- MSCI ESG: AA (Scale: CCC-AAA);
- ISS ESG: C (Scale: D-- A+); and
- Sustainalytics ESG Risk Rating: 28.3 (Scale: 0-100).



FUTURE COMMITMENTS



Following a review of the effectiveness of the steps we have taken in 2021 to ensure that there is no Modern Slavery in our supply chains we intend to take the following further steps to combat Modern Slavery in our operations and supply chain:

- Conduct annual CIPS Ethical Procurement and Supply training and testing all employees with responsibility for sourcing, supplier selection and supplier management;
- Renew our commitment to ethical sourcing and supplier management by participating in the CIPS Corporate Ethics Register; *and*
- As part of the new business partner due diligence check, look-up Australian suppliers in Modern Slavery Statements Register, review and analyse statement if available and use results for business partner risk assessment.



DECLARATION

This statement is made pursuant to the Commonwealth Modern Slavery Act 2018 and constitutes the Modern Slavery Statement of Rheinmetall Defence Australia for the year ended 31 December 2021.

This statement was approved by the Boards of each of the three reporting entities covered by this statement.

The board of Rheinmetall Defence Australia approved this statement on 7 June 2022, the Board of Rheinmetall MAN Military Vehicles Australia on 22 June 2022 and the board of Logistic Solutions Australasia approved this statement on 24 June 2022.

GARY STEWART

Managing Director
Rheinmetall Defence Australia Pty Ltd
Logistic Solutions Australasia Pty Ltd
Rheinmetall MAN Military Vehicles Pty Ltd



Signed on 23 August 2022

MILVEHCOE
Rheinmetall
111 Robert Smith Street
Redbank QLD 4301 Australia