

Global Framework Agreement on Principles of Social Responsibility for the Rheinmetall Group

Preamble

Rheinmetall is an internationally operating high-tech group specialising in mobility and security. The company is among the one hundred largest listed corporations in Germany. The companies of the Rheinmetall Group operate globally and are, by virtue of the Group's global production sites, embedded in the economic, environmental, social, legal and political systems of various countries and regions. The company is committed to its social responsibility, free world trade and fair competition as well as legal, sustainable, ethical and socially responsible conduct.

Sustainable business has always been an integral part of business and production processes and helps securing the long-term viability of the company, which can look back at a successful history of more than 125 years.

The Rheinmetall Group's approach is to take the interests of shareholders, employees, customers and other stakeholders as well as environmental and social aspects into account to the greatest extent possible in the pursuit of its strategic and corporate objectives. With this Framework Agreement, the Board of Management 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 fostering responsible business in the ongoing process of internationalisation that the company is undergoing and the increasing globalisation of the economy.
- recognises the United Nations Universal Declaration of Human Rights in its entirety.
- is, under this Agreement, oriented towards the core and social standards of the International Labour Organisation (ILO). When national regulations, industry standards or this Agreement address the same subject matter, the stricter provisions shall always apply unless the action associated therewith would be unlawful.
- shall do its utmost to prevent the irreversible process of globalisation from causing personal anxieties and/or uncertainties among employees of the Rheinmetall Group.
- seeks to promote a positive perception of globalisation by means of globally sustainable economic development and creation of new or preservation of existing jobs.
- is convinced that social responsibility was and is an indispensable element of value-oriented corporate management and an important factor in the long-term

success of the Rheinmetall Group. It is with this in mind that Rheinmetall intends to make a contribution to social peace at its production sites and in the companies and to the prosperity of its employees in the future.

In the future as well, the Rheinmetall Group can continue to set new standards in the areas of mobility and security - fundamental needs of modern society - with innovative technological solutions, thereby continuously opening up growth and development potential for the company. In the interests of all stakeholders, Rheinmetall strives for sustainable business development based not only on technological and economic efficiency, but entrepreneurial performance as well.

In the field of economic efficiency, social responsibility and sustainability, Rheinmetall does its utmost to combine economic, environmental and social aims and objectives with medium and long-term strategic and operational planning and day-to-day corporate decision-making.

The Rheinmetall Group communicates the agreed-upon principles to employees, customers, suppliers, institutional interest groups and other stakeholders, expressly encouraging them to apply and take account of the principles in their own corporate policies.

The parties recognise and acknowledge their responsibility to the Rheinmetall Group and its employees and are of the conviction that the principles laid down in this Agreement will make an important contribution to the corporate culture and to better cooperation within the Rheinmetall Group across departmental, hierarchical and national lines.

1 Human rights

1.1 Human rights

The Parties are committed to the internationally recognised Universal Declaration of Human Rights of the United Nations and shall support compliance with the principles of this Declaration to the utmost of their abilities.

1.2 Equal opportunity and non-discrimination

The Rheinmetall Group is committed to equal opportunity in the selection, hiring, employment, further advancement and promotion of employees and shall refrain from any and all discrimination unless the action associated with such would be unlawful.

Rheinmetall ensures that applicable laws on equal treatment are abided by. The employees of the Rheinmetall Group respect all human beings, their personal dignity, their personal rights and their privacy. No individual may be unfairly treated, placed at a disadvantage, harassed, excluded or afforded favourable treatment as a result of their nationality, the colour of their skin, ethnic or social origin, marital or family status, pregnancy or maternity, their religion or belief, age, disability, physical constitution, appearance, sexual orientation, world view or political opinion, gender or membership in a political

party or employee representation or trade union body unless such action would be unlawful. Employees may not be treated differently unless the actions associated therewith would be unlawful.

1.3 Respect, trust and transparency

Relationships between members of the Board of Management, managers and employees are marked by respect, trust and transparency at all levels, in all divisions and regions in the interest of attaining common corporate goals.

Managers and employees contribute to a productive working atmosphere through tolerant, cooperative and considerate interaction with one another.

The managers of the Rheinmetall Group set an example through their conduct at the workplace. They communicate actively and openly and treat their employees fairly and with respect. They assign them responsibility to foster their development while acknowledging their achievements in an appropriate manner.

Human and cultural diversity constitutes an enrichment of cooperation and the corporate culture. The traditions, customs and social values of the respective cultures and countries in which the Rheinmetall Group conducts business are taken into account in day-to-day operations.

1.4 Protected work environment

Referring to ILO Convention 111, the parties are committed to protecting the dignity of all employees and allowing them to work in an inclusive and supportive working environment free from undesired advances or immoral propositions, derogatory remarks, physical violence, verbal attacks, psychological coercion, visual harassment, inappropriate gestures and disparaging behaviour such as harassment, intimidation, threats or bullying. Indications or evidence of misconduct shall be resolutely investigated while exhibiting due consideration for parties subject to harassment as well as witnesses.

1.5 Forced and child labour

The Rheinmetall Group rejects all forms of forced labour and does not use such methods in particular in recruiting workers, as a disciplinary measure, as a punishment for participating in strikes or to practice ethnic, social, national or religious discrimination (ILO Conventions 29 and 105).

Child labour is prohibited (ILO Conventions 138 and 182). The minimum age of employees is based on respective national laws or collective bargaining arrangements provided that these do not fall below the minimum employment age laid down in ILO Convention 138. The legal employment of young people must not pose a threat to their physical and mental development.

2 Working conditions and employment

2.1 Compensation/remuneration

The right to an appropriate remuneration is recognised for all employees. Compensation/remuneration and other benefits (social benefits, holidays, etc.) are based on the principle of fairness and comply at a minimum with respective national statutory standards.

If such is customary in the region, employees receive a written payroll statement in text or digital form which lists all wages and additional benefits and any deductions in a specific and understandable manner upon payment of their wage. If such payroll statements are not customary in the region, employees may receive such on request. In cases where employees have reading and comprehension difficulties, a verbal explanation is provided.

2.2 Working time

Rheinmetall acts to ensure compliance with national regulations and agreements on working hours and regular paid holidays. Working hours, including overtime, may not exceed the maximum working hours permitted by law and/or collective bargaining agreements in the respective countries.

2.3 Sustainable employment

Rheinmetall recognises the importance of a safe and secure workplace and sustainable, direct and permanent employment. Rheinmetall strives to ensure that all work is performed in accordance with the applicable legal framework and exerts its influence on the commissioned external third parties.

2.4 Occupational health and safety

Occupational health and safety have the highest priority. Rheinmetall ensures occupational safety and health protection at the workplace within the framework of national regulations and/or in accordance with the Agreement on Health Management applicable to European Group companies (to the extent that it contains stricter arrangements) and supports continuous further development to improve the world of work, in particular the safety of employees.

Managers, company and trade union employee representatives play a decisive role in practical implementation at production sites of the Rheinmetall Group. In this context, existing committees for occupational health and safety, security specialists, company physicians and the Health Management Steering Committees cooperate closely.

2.5 Training

The skills and know-how of Rheinmetall's employees at all its sites around the world are of paramount importance to the company's future. Rheinmetall therefore supports and encourages measures to train its employees.

2.6 Environmental protection

The Rheinmetall Group's products and services will continue to be environmentally sustainable. Protecting the environment and improving living and environmental conditions are key corporate objectives of the Rheinmetall Group. In order to attain and comply with European and international environmental standards, we cooperate with local institutions and associations in charge.

3 Role of employee representatives and trade union rights

3.1 Freedom of association/right to collective bargaining

Referring to ILO Convention 87, the right of employees of the Rheinmetall Group to form, join and be active in trade unions of their choice is acknowledged. The practical application of these rights depend on national laws, collective bargaining agreements and customs.

Rheinmetall and employee and trade union representatives should adhere to fundamental democratic principles to ensure that employees can make a free and fair decision as to whether they want to form a body to represent their interests or join a body representing their interests and that in such cases employees can freely decide in favour of a representative of their own choice. The company and its managers must conduct themselves in a neutral manner and must not influence the free choice of employees by exerting pressure or intervening in any other undue manner. This does not apply to the rights of the company with regard to the management and operation of the company (e.g. structure and design of working conditions) provided that the measures of the company as such are not intended to obstruct trade union organisation.

The Rheinmetall Group is guided by ILO Convention 98 and accepts the freedom to engage in collective bargaining and the results produced by collective bargaining based on national regulations that affect the respective Rheinmetall Group company.

After consultation with the management in charge, the Parties to the Agreement are granted access to production sites if such is in compliance with national statutory requirements and is customary in the region.

3.2 Constructive cooperation

The companies of the Rheinmetall Group, the employees and company and trade union employee representatives work together openly and in a spirit of constructive and cooperative settlement of conflicts while safeguarding the interests of both sides. It is endeavoured to strike a fair balance between the economic interests of the Rheinmetall Group along with its respective companies and the interests of its employees.

4 Execution and implementation

4.1 Scope

These principles of social responsibility apply to all Rheinmetall Group companies in Germany and abroad in which Rheinmetall has industrial leadership. Rheinmetall also does its utmost to ensure that the agreed-upon principles of social responsibility are applied in their entirety and that comparable rules of conduct are introduced even at companies in which Rheinmetall does not exercise industrial control or in which it holds a minority interest.

The principles of social responsibility obligate managers and employees at all levels to accept, comply with and foster the agreed principles. Responsibility lies with the management of the respective business units and, wherever present, employee representatives and the Parties to the Agreement.

4.2 Communication of the principles of social responsibility

The principles are communicated to all management, employees and employee representatives throughout the Group in an appropriate form. They can be viewed at any time by any and all employees as well as by external third parties on the Intranet, Internet and through permanent posting. This means not least that these principles are translated into all languages spoken at Rheinmetall Group sites.

Information and communication measures to inform employees as well as training courses for plant managers and employee representatives are discussed with employee representatives at the sites and implemented or carried out jointly.

4.3 Respect for and adherence to the principles of social responsibility by business partners

The Rheinmetall Group undertakes to communicate this Agreement to its subsidiaries, joint ventures and 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 account in the selection and evaluation of suppliers, subcontractors and service providers.

If these principles, fundamental labour standards or health and safety requirements are violated, Rheinmetall Group should consider taking steps against the respective company concerned.

4.4 Reporting misconduct and violations

Employees and their employee representatives have the right to report problems, misconduct and alleged or actual violations of the agreed principles to management, local employee representatives, the European Works Council or IndustriALL Global Union in writing or verbally. Information may also be sent confidentially to compliance officers at the companies or anonymously via the

electronic whistle-blower system or the ombudsman. Protection of whistle-blowers is to be ensured; they must not suffer any disadvantages.

4.5 Treatment of violations

Indications of observed suspicious incidents, misconduct or violations of rules are resolutely investigated without prejudice and with the diligence warranted.

In the event of justified complaints, those persons in charge on site will first consult over suitable measures to remedy the situation. They are to explore all possibilities for a local settlement of the conflict.

Confidentiality and discretion are of paramount importance.

4.6 Information and consultation regarding violations

In the event of complaints or information of fundamental importance which cannot be resolved by options at the local level, Rheinmetall Group will follow up on the information and involve Rheinmetall AG's Labour Director.

The Rheinmetall Group will notify the Executive Committee of the European Works Council about any such complaints and information in good time before the next meeting of the Executive Committee of the European Works Council. In such a case, Rheinmetall Group and the Executive Committee of the European Works Council will consult with each other and exchange proposals for a solution.

This exchange is to take place at a meeting of the Executive Committee of the European Works Council and may be attended by IndustriALL Global Union, usually represented by the trade union European Works Council coordinator.

The Labour Director of Rheinmetall AG is required to inform IndustriALL Global Union about the items discussed at the Executive Committee meeting immediately after the meeting.

In a spirit of cooperation based on trust and confidence, the parties involved shall refrain from public disclosure of the information.

5 Final provisions

5.1 The parties agree that any and all differences arising from the interpretation and implementation of this Agreement will be reviewed jointly with the aim and objective of arriving at a solution.

5.2 The Agreement shall enter into force at the point in time at which it is signed. It remains in force until one of the Contracting Parties terminates the Agreement. The other parties shall be notified about the termination in writing within a period of three calendar months prior to the end of a month.

5.3 The Agreement shall lose its validity effective immediately after expiry of the period of notice.

5.4 No individual claims or third-party claims may be derived from this Agreement. This also applies to the Parties to this Agreement, i.e. this Agreement shall not take on any legal effect with regard to the relationship between the Parties.

5.5 In case of questions regarding the interpretation of the contents of this agreement, the German version shall prevail.

Done at Düsseldorf on _____

For the Board of Management

For the European Works Council

Peter Sebastian Krause
Manager Human Resources
Labour Director

Reinhard Müller
Chairman of the
European Works Council

On behalf of IndustriALL Global Union

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Secretary General