

UK Modern Slavery Act Response 2022

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and sets out the steps Rheinmetall BAE Systems Land (RBSL) has taken in the year ending 31st December 2021 to prevent slavery and human trafficking in our business and supply chain.

We are committed to ensuring that our employees and suppliers take appropriate steps to mitigate the risk of human trafficking and slavery from occurring in our business and supply chain.

Company Overview

Formed in July 2019, RBSL is a UK based joint venture defence company owned by the global defence businesses Rheinmetall and BAE Systems (Shareholder Companies). There is a 55% - 45% respective shareholding.

We are experts on combat vehicles and military bridging. We are an internationally competitive business providing our customers with a competitive edge across the land domain; specialising in combat vehicle design, manufacturing and support and military bridging.

At RBSL we are able to combine Rheinmetall's military vehicles technology and products with the military vehicles capabilities and products from BAE Systems.

We employ a skilled workforce of more than 450 employees across multiple UK based sites with our headquarters based in Telford. We are an important supplier to governments in the UK and internationally.

Governance and Decision Making

We are governed by a Board of Directors, which includes representation from both shareholders, who are responsible for strategic and operational decisions. Daily management is delegated to a Management Board led by our Managing Director.

We are committed to conducting business responsibly. In 2021 we introduced our company values of Trust, Respect and Transparency, which reinforce our commitment to responsible business conduct. The Board of Directors have approved an Operating Framework and Code of Conduct which define our approach to governance and responsible business conduct. These documents are supported by internal policies and processes which include:

- Company processes on topics including Advisers, Recruitment (including right to work), Employee Relations (including pay and reward), Security (including employee vetting), Health & Safety, Procurement, Offset and Risk Management.
- Supplier processes for due diligence, selection and approvals and ongoing supplier management and assurance.

Each Shareholder Company monitors our compliance with our policies, processes and standards.

Risk Management

Our key financial and non-financial risks are identified, collated and managed. We have a defined process for the management of risk which includes escalation and review by the Management Board. All risks are assessed based on the probability of occurrence and the potential impact.

The Board of Directors has overall responsibility for determining the nature and extent of the risk the Company is willing to take, and ensuring that risks are managed effectively.

While we recognise the potential risks of modern slavery and human trafficking, due to the restrictions of our industry, the highly skilled nature of our workforce and the mitigation measures we have implemented (as outlined below), we do not identify them as principal risks for our Company. We will continue to review our assessment of these risks.

Recruitment & Employees

Due to the nature of the industry we work in and the customers we support, all potential employees and contingent workers go through a pre-employment vetting process. Individuals are verified for identity, employment and academic history, nationality and right to work status and criminal record checks. We do not require seasonal workers.

Where we use agencies to support our recruitment, we expect the recruitment service providers to comply with all legislation in the jurisdiction they operate which includes the UK Modern Slavery Act 2015. Recruitment providers are subject to our indirect supplier due diligence processes.

Our recruitment processes ensure that, where required by law or contract, each employee receives a contract or recruitment agreement outlining matters which may include remuneration, job role, rest and holiday periods and notice periods.

We comply with child labour laws and will not employ anyone under the age of 15. We are committed to the development of young people by providing development and apprenticeship programmes.

We are dedicated to the health, safety and wellbeing of our employees. Our health and safety processes ensure our working environment is safe and secure for all those on our sites. We are committed to respecting the human rights of our employees in the workplace.

We recognise a number of affiliated Trade Unions and their right to collectively represent and negotiate on behalf of applicable employees.

Training

Our Code of Conduct sets out clear expectations on ethical conduct and adherence with its standards is mandated for all employees. We provide annual training and guidance to help our employees understand the right thing to do. In 2021 we updated and published additional Code of Conduct material to explicitly outline our standards and expectations regarding human rights. All employees received Code of Conduct training in November 2021.

Whistleblowing & Grievance Reporting

We encourage employees, contractors, suppliers and customers to report any issues or concerns about potential ethics, human rights, legal or regulatory violations.

A culture of openness is important to us. Retaliation is not tolerated.

We have systems and processes in place that enable employees and third parties to raise concerns, anonymously if requested. Reporters can utilise our internal network of Ethics Officers or contact the ethics reporting mechanism by email or an external website. All reports are reviewed and appropriate action is taken.

In 2021 we received 8 ethics enquiries via our ethics reporting channels. The enquiries did not relate to modern slavery or human trafficking or conduct within our supply chain.

Supply Chain Overview

We work with hundreds of directly contracted suppliers and we recognise the role they play in supporting responsible business. In 2021 we spent more than £54 million with more than 400 suppliers. This was a 10% increase on 2020 spending.

Geographic Location	% of Total Spend
United Kingdom	79.97%
Germany	17.36%
France	1.65%
Netherlands	0.64%
United States	0.14%
Sweden	0.11%
Latvia	0.09%
Belgium	0.03%

Many of our relationships with suppliers are long-term due to the length of our product lifecycles, so we aim to work with suppliers who embrace standards of ethical behaviour consistent with our own. We encourage our suppliers and business partners to adopt the same or similarly high standards of ethical behaviour.

We purchase a wide range of products from our directly contracted supply base. These products are either integrated into the products and solutions we sell to our customers (Direct Purchases), or are used to support the efficient running of our internal operations (Indirect Purchases).

Direct purchases vary in complexity from raw materials such as steel and aluminium to complex electronic systems. Other Direct Purchases include platform support, maintenance services, and IT solutions including those for cyber protection.

Purchases can be 'off the shelf' catalogue items such as electronic components, to semi-custom 'modified off the shelf' items such as power supplies, through to fully bespoke unique major subcontract items such as weapon systems.

Indirect Purchases include travel providers, manufacturing consumables, temporary subcontract labour, facilities management and construction.

Supplier Selection, Management and Assurance

Prior to approving and selecting suppliers, we outline the products and services we need and short list potentially suitable suppliers.

We use third party compliance risk screening tools as part of anti-corruption due diligence checks for both new and existing suppliers. We are supported by the Compliance teams of our Shareholder Companies to conduct these checks.

We require our suppliers to comply with all legislation in the jurisdiction in which they operate and encourage them to meet the same or similarly high standards equivalent to our own on ethical conduct, labour welfare, health and safety, environment, civil liberties and human rights. We expect our suppliers to flow down our values and expectations to their suppliers and sub contractors.

We have a Supplier Code of Conduct which sets our expectations with regards to human rights and working conditions within our supply chain. This includes our expectations regarding the provision of equal opportunities, fair and appropriate remuneration and benefits and prohibiting forced labour and human trafficking. We provide this Supplier Code of Conduct to our suppliers.

Our Standard Conditions of Purchase include a clause regarding our ethical values and expectations. A supplier's compliance with our Standard Conditions of Purchase is reviewed and considered during the supplier due diligence, selection and approval process and during ongoing supplier management and quality assurance.

We have a Counterfeit Goods Avoidance policy which has been communicated to employees. This policy ensures that we only use verified stockists within our supply chain.

Directly contracted suppliers are regularly reviewed, throughout their contractual relationship, as part of our Supplier Management process and via our project management processes. Supplier non-financial risk is measured through on-site audits conducted by our Supplier Quality department.

Supplier performance is monitored monthly and non-conformance is addressed via Quality Notifications which are investigated directly with the supplier. Repeated non-conformance and any increase in risk initiates a Quality Improvement Plan to be completed by the supplier in conjunction with our Supplier Quality Engineers. Supplier Quality Engineers can escalate any concerns they have about the ethical values or behaviours of a prospective or approved supplier. In 2022 we will be implementing compliance training for the Procurement function which will include the topic of modern slavery.

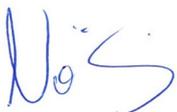
Suppliers are encouraged to inform us of any violations of our ethical values and expectations committed by any of our representatives or representatives of third parties.

What would we do if Modern Slavery were found in our Supply Chain?

If modern slavery or human trafficking were found within our directly contracted suppliers, we would act immediately to work with the supplier and relevant authorities to understand the circumstances and to put in place corrective actions that help the affected workers and protect them from further harm. If a supplier is unwilling to address the issue, then corrective action may include termination of contracts and selection of an alternative supplier.

This statement was approved by the RBSL Board of Directors on 13th April 2022.

Signed for and on behalf of Rheinmetall BAE Systems Land Limited



Dr. Marco Nöding

Managing Director

Rheinmetall BAE Systems Land Limited