

UK Modern Slavery Act Response 2020

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 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. 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), 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.

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 are committed to respecting the human rights of our employees in the workplace. Our Code of Conduct sets out clear expectations on ethical conduct and adherence with its standards is mandated for all employees. We provide training and guidance to help our employees understand the right thing to do. In 2020 we are planning to create and publish additional Code of Conduct material to provide further guidance to employees on our standards and expectations regarding responsible business conduct.

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.

Whistleblowing

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 24-hour ethics reporting mechanism by phone, email or an external website. All reports are reviewed and appropriate action is taken.

In 2019 we received no concerns relating to modern slavery or human trafficking via our ethics reporting channels.

Supply Chain

We work with hundreds of directly contracted suppliers globally and we recognise the role they play in supporting responsible business. Our relationships with suppliers are often 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 the Dow Jones Supply Chain Compliance Toolkit as part of anti-corruption due diligence checks for both new and existing suppliers.

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 created a Supplier Code of Conduct which sets our expectations with regards to human rights, modern slavery and human trafficking, within our supply chain. We will provide this Supplier Code of Conduct to our suppliers.

Our Standard Conditions of Purchase include a clause regarding our ethical values and expectations. Supplier 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.

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 risks are re-reviewed (via on-site audit or questionnaire), and progress against any mitigation plans is monitored. If a supplier's level of risk increases, or gaps in performance are highlighted, performance improvement plans are put in place or enhanced.

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 21st April 2020.

Signed for and on behalf of Rheinmetall BAE Systems Land Limited



Peter Hardisty

Managing Director

Rheinmetall BAE Systems Land Limited