

2023 REPORT UNDER THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN THE SUPPLY CHAINS ACT

Rheinmetall Canada Inc.

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Introduction

This report has been prepared by Rheinmetall Canada Inc. pursuant to the requirements of Canada's new *Fighting against Forced Labour and Child Labour in the Supply Chains Act* (the "Act ") and the actions taken during the financial reporting year 2023 to address the risks of forced labour and child labour.

This report is a joint report. The report covers the structure, activities and supply chain of Rheinmetall Canada Inc. and its subsidiary Provectus Robotics Solutions Inc. for the fiscal year that ended December 31, 2023. The references in this report to "Rheinmetall Canada", "Provectus ", "our", and "we" collectively refer to Rheinmetall Canada Inc. and Provectus Robotics Solutions Inc., unless otherwise stated.

The introduction of the Act has lead to new and additional due diligence requirements and corresponding risk management systems for Rheinmetall Canada. Rheinmetall Canada acknowledges that the risks of forced labour and child labour may arise as a part of its international procurement activities. We are committed to responsible business conduct, which includes identifying, preventing and mitigating these risks in our supply chain, as well as improving our business partner and supplier due diligence, risk assessment, remediation and training processes.

Rheinmetall Canada does not knowingly use forced labour and child labour in its operations or procure products and services from suppliers that employ or use forced labour and child labour.

Structure, Activities and Supply Chain

Structure

Rheinmetall Canada is incorporated under the Canada Business Corporations Act and is governed by the laws of Canada. The main office of Rheinmetall Canada Inc. is located in St-Jean-sur-Richelieu and it has also has a sales office in Ottawa, Ontario. Rheinmetall Canada currently has a workforce of 350 employees. Our subsidiary company Provectus is also a federal corporation governed by the Canada Business Corporations Act and is located in Ottawa, Ontario. It currently has a workforce of 16 employees. The Board of Directors of Provectus includes members of the Board of Directors of Rheinmetall Canada. Rheinmetall Canada directly controls its subsidiary Provectus. Both entities take a common approach in the areas of corporate social responsibility and governance.

Activities

Founded in 1986, Rheinmetall Canada is a well-established company in the defence and security sector in Canada offering a range of defence and security solutions and related services. The product portfolio of Rheinmetall Canada includes vehicle systems and integration services, air defence systems, weapon systems, command centres and communication networks, technologies for soldiers, robotic systems, simulation and training solutions, and aircraft ground support equipment for commercial and military airports.

As a leading systems engineering and integration company in Canada, a significant portion of Rheinmetall Canada's business is with the Department of National Defence, Government of Canada. Rheinmetall Canada is a vendor of land defence systems and battle management systems to the Government of Canada. In addition, Rheinmetall Canada's business includes sales to international defence customers and commercial sales in the homeland security sector.

Founded in 2010 and acquired by Rheinmetall Canada in 2019, Provectus is a leader in autonomous navigation technology and robotics. Provectus offers customized unmanned ground vehicle solutions to a range of industries, including mining, forestry, aerospace, space research, security and logistics.

Supply Chain

As a systems engineering company Rheinmetall Canada designs and produces systems and subassemblies. This involves the assembly and integration of various mechanical and electronic components, as well as communication and software technologies.

Rheinmetall Canada sources products primarily from suppliers in Canada, Europe, and the United States. We have processes in place that enable us to identify the sources of supply by region and country.

Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

Policies

Rheinmetall Canada expects its suppliers to integrate principles of corporate social responsibility in their business activities and ensure compliance with the standards set out in its *Supplier Code of Conduct* in the areas of human rights, labour protection, environmental protection and prevention of corruption.

Rheinmetall Canada is committed to responsible business conduct, which includes identifying, preventing and mitigating risks of forced labour and child labour, slavery, human

trafficking, illegal and undeclared employment, involuntary servitude or other forms of domination and oppression in the workplace environment in our supply chain, The policies and due diligence processes in place aim to ensure that our business partners, directors, officers, managers, employees, suppliers and other stakeholders uphold the compliance standards set out in the Rheinmetall *Supplier Code of Conduct*, *Principles of Social Responsibility*, as well as the *Code of Conduct* which are available at <https://www.rheinmetall.com/eng/responsibility/stakeholders/suppliers>.

The obligations of suppliers under the *Supplier Code of Conduct* supplement the terms and conditions of the supply contracts that suppliers enter into with Rheinmetall Canada. The requirement for suppliers to comply with internationally recognised human rights standards and the prohibition on forced labour and child labour are described in the *Supplier Code of Conduct*. Suppliers are under obligation to take measures to not use forced labour and child labour.

Under the *Supplier Code of Conduct*, suppliers undertake to comply with our compliance standards and ensure that the same obligations are passed along to their supply chains. The agreement of suppliers with the *Supplier Code of Conduct* and its alignment with the principles of the United Nations Global Compact serves as the basis of the contractual relationship between Rheinmetall Canada and suppliers for the provision of products and services.

Suppliers are required to report any human rights violation which is committed by a third-party, employee or representative of Rheinmetall Canada and which has a reference to its own business or the supply chain of Rheinmetall Canada. The violation can be reported to Rheinmetall Canada or anonymously through a whistleblower system available at <https://rheinmetall.integrityline.org>. Suppliers have an obligation to inform their employees of the availability of the whistleblower system and to pass the information along the supply chain. The *Incident Management Policy* which is part of our compliance framework ensures that whistleblowers are protected against reprisals.

Under the *Code of Conduct*, business partners, directors, officers, managers, employees and other stakeholders have an obligation to respect human rights laws and regulations, as well as the internal ethics and compliance policies which apply throughout the Rheinmetall Group. The violation of internationally recognized human rights or our internal compliance policies is subject to sanction. The sanctions may include termination of supply contracts, removal from the approved vendor list, or referral to law enforcement agencies. The *Code of Conduct* sets out that the protection of human rights and the rights of children is a fundamental requirement. Any form of human and child trafficking or associated activities, including the employment and exploitation of children is not tolerated.

Due Diligence Processes

As members of the Germany-based Rheinmetall Group, Rheinmetall Canada and its subsidiary Provectus adopt the compliance management systems and policies implemented by Rheinmetall AG our parent company. Rheinmetall AG uses the web-based platform of

EcoVadis, an internationally renowned service provider, to assess sustainability risks in the supply chains in the area of Environment, Social, Governance (ESG) compliance.

The EcoVadis management system is being implemented at Rheinmetall Canada. The EcoVadis platform will enable us to conduct supply chain risk analysis and evaluate suppliers based on the key performance indicators such as environment, sustainable procurement, ethics, labour protection, and human rights. The EcoVadis due diligence assessments will enable us to identify suppliers that represent a risk in the areas of human rights and forced labour and child labour. On the basis of the results obtained from the due diligence assessments, Rheinmetall Canada will be in a position to prevent and reduce risks of forced labour and child labour to the extent possible through suitable measures.

In 2021 our parent Rheinmetall AG joined the United Nations Global Compact and has pledged to promote the UNGC's principles for sustainability and responsible business and development. Rheinmetall AG is committed to best practices in the areas of human rights, labour protection, environmental protection and prevention of corruption.

The 2023 Annual Report of Rheinmetall AG outlines the corporate social responsibility and governance policies implemented at the Group level. The 2023 Annual Report is available at <https://www.rheinmetall.com/en/media/publications/publications-overview>. The 2023 Corporate Responsibility Report ESG Factbook is available at <https://www.rheinmetall.com/en/responsibility/esg-reporting>.

Risk Assessment

In 2022 Rheinmetall Canada introduced new sustainability management requirements and the EcoVadis management system to its supply chain.

The evaluation of supplier compliance in the areas of human rights and forced labour and child labour will be progressive based on the self-assessment questionnaires obtained from suppliers and the evaluations by EcoVadis. The EcoVadis performance scores obtained to-date indicate that the suppliers which underwent assessments have a good sustainability performance rating.

As part of our compliance framework, a due diligence review which includes ESG aspects such as human rights is conducted on major suppliers and subcontractors. In the event of a negative finding related to risks of forced labour or child labour, the matter would be addressed appropriately.

Rheinmetall Canada has a collaboration with Offset Market Exchange Inc. a leader in specialized in industrial base data primarily in the defence and aerospace sectors. The OMX portal is used to source potential suppliers and review ESG risk profiles and corporate governance performance.

Remediation Measures Taken to Remedy any Use of Forced or Child Labour

Remediation Measures

In the event of a violation of human rights laws and regulations or non-compliance with our compliance policies on forced labour and child labour set out in the *Supplier Code of Conduct*, our approach is to first investigate the matter in a structured manner based on our *Incident Management Policy*.

Under the *Supplier Code of Conduct*, suppliers have the obligation to cooperate with Rheinmetall Canada in addressing human rights violations. In the event of a human rights violation, we will work with suppliers to define and implement a corrective action plan. If the non-compliance is not resolved, Rheinmetall Canada will apply measures, which may include termination of supply contracts, removal from the approved vendor list or referral to law enforcement agencies. In addition, suppliers may be subject to legal action and the consequences resulting from violations for which they are responsible, in particular fines and penalty claims from third parties or the authorities.

Remediation of Loss of Income

To date, Rheinmetall Canada has not taken any measures to to remediate the loss of income to vulnerable families that results from any measures taken at Rheinmetall Canada to eliminate the use of forced labour or child labour in our activities and supply chains.

Employee Training

As part of Rheinmetall Canada's employee on-boarding process new employees receive an overview of our *Code of Conduct* which describes our guiding principles with regard to ethical and compliant conduct, and the respect for human rights. Employees have an obligation to respect our compliance policies and human rights laws and regulations. The *Code of Conduct*, *Principles of Social Responsibility* and other policies related to gifts and hospitality, money-laundering, and anti-corruption are posted on Rheinmetall Canada's Intranet. The contact information for submitting a whistleblower report related to employee misconduct or a third-party violation along the supply chain is also provided on the company's intranet.

Rheinmetall Canada respects applicable laws and regulations related to the legal age for employment. There are currently no young employees at Rheinmetall Canada, but should this change Rheinmetall Canada will ensure that the laws and regulations governing work by children and occupational health and safety are respected.

To-date, awareness training related specifically to human rights is offered to employees but formal classroom or online trainings have not been offered. We will explore training opportunities for employees to raise awareness about the subject of human rights.

Assessment of Measures Effectiveness

Rheinmetall Canada has in place a compliance framework and processes to manage sustainability risks in the supply chains in the area of Environment, Social, Governance (ESG) compliance, including human rights. The effectiveness of our policies and processes relating to forced labour and child labour can be measured by the results obtained from the EcoVadis due diligence assessments conducted. EcoVadis monitoring is a means to measure our progress in the areas of human rights and forced labour and child labour.

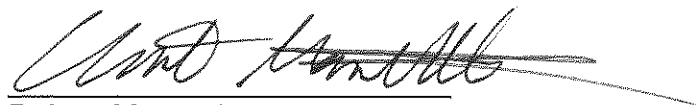
The internal ethics and compliance policies which apply throughout the Rheinmetall Group are reviewed and updated to keep pace with new regulatory requirements. The *Supplier Code of Conduct* was updated in October 2022 to specifically address the risks of forced labour and child labour. Updates to our other compliance policies are also released periodically, as required.

The use of the OMX portal for sourcing potential suppliers and reviewing ESG risk profiles and corporate governance performance is a means to identify and mitigate risks in our supply chain.

As part of our commitment to responsible business conduct, we recognize the need to improve our process for measuring the effectiveness of the efforts being made in the areas of human rights and forced labour and child labour.

Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entities listed above. Based on my knowledge and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year referred to above. I make the above attestation for and on behalf of the Board of Directors of Rheinmetall Canada Inc. and the Board of Directors of Provectus Robotics Solutions Inc. in my capacity of Director of these entities.



Robert Montcalm
Chief Financial Officer and Director of Rheinmetall Canada Inc.
May 28, 2024

I have the authority to bind Rheinmetall Canada Inc. and Provectus Robotics Solutions Inc.