

The background features a dark blue gradient with several stylized human figures in lighter shades of blue. One figure is prominent in the lower-left foreground, while others are faintly visible in the background, creating a sense of a group or community.

KNDS

DECLARATION OF PRINCIPLES ON
RESPECT FOR HUMAN RIGHTS

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FOREWORD

**Dear employees,
Dear customers,
Dear business partners and suppliers,**

As an international company in the defense and security industry, we undertake a mission, namely to ensure the sustainable future and defense capability of Europe and our allies. In so doing, we are also aware of our corporate responsibility to respect human beings, environment and resources and are fully committed to respecting human rights and complying with high environmental and social standards in our global business activities. We expect the same from our partners and suppliers.

With the following policy statement, we are clearly committed to respecting human and environmental rights. The guiding principles of our actions are concretized in our Ethics Charter. The Code of Conduct for Suppliers of the Federal Association of the German Security and Defense Industry (Bundesverband der Deutschen Sicherheits- und Verteidigungsindustrie e.V.) formulates the requirements that we place on our business partners in the supply chain.

We pursue the goal of identifying and minimizing human rights risks and environmental risks throughout the Group in our own business area and in our supply chains. We can only be successful entrepreneurially in the long term if the impact of our business activities within our sphere of influence, both locally and globally, is in harmony with people and the environment.

This policy statement is an important step in this direction. Each and every one of us is called upon to implement it in practice and in our day-to-day operations in order to move our company towards a sustainable future at all levels.

We want our world to be safer – not only through our technologies, but also through our behavior. This is our daily task. We therefore see it as our duty to assume social, ecological and economic responsibility along these supply chains as well.

Thank you for your support!


Dipl.-Ing. Ralf Ketzel
(Chairman)


Dr.-Ing. Axel Scheibel


Dipl.-Kfm. Markus Helm


Dipl.-Ing. Florian Hohenwarter

Scope of application

This policy statement covers the KNDS Deutschland Group (hereinafter referred to as “KNDS Deutschland”). This policy statement applies to us as the management board as well as to all managers and employees of KNDS across all divisions.

1 OUR COMMITMENT TO RESPECTING HUMAN RIGHTS

As the European market leader for armored wheeled and tracked vehicles, we are committed to safety and aware of our corporate responsibility to protect human rights and the environment, as now stipulated in the German Supply Chain Due Diligence Act („LkSG“). The KNDS Deutschland Group (hereinafter referred to as „KNDS Deutschland“) acts responsibly in its business area and within the global value chain; strengthens the economy and society as a reliable employer and local purchaser; and is committed to climate and environmental protection in all its areas of production.

Our commitment to respecting human rights and the environment is reflected in already established corporate policies, such as:

- Our **Ethics Charter**: This Charter which is binding for all employees, anchors the most important guidelines and principles for actions and behavior in our daily work processes and our corporate culture at a national and international level.
- The **Supplier Code of Conduct** we use: This Code of Conduct defines the requirements we impose on our suppliers with respect to sustainability criteria, including the expectation that social, ethical, and environmental requirements are observed.

The core belief of our entrepreneurial selfimage includes respecting the dignity and personality of every individual, not tolerating any kind of discrimination whatsoever, behaving in a sustainable way and protecting our environment, natural resources and health. We have therefore set out these and further key values that guide us as a Group and to which we are committed in our Ethics Charter. As in our corporate principles, we are also committed to occupational health and safety, and environmental protection. Our human rights and environmental protection obligations for suppliers are based on the Code of Conduct for Suppliers of the Federal Association of the German Security and Defense Industry (Bundesverband der Deutschen Sicherheits- und Verteidigungsindustrie e.V.).

In addition, we particularly commit ourselves to the principles outlined in the following frameworks:

- **United Nations Universal Declaration of Human Rights**
- **Basel Convention on the Control of Cross-border Movements of Hazardous Wastes and their Disposal (Basel Convention)**
- **Core conventions of the International Labor Organization, in particular ILO C29 (and associated protocol of 2014), C87, C98, C100, C105, C111, C138, C182**
- **Stockholm Convention on Persistent Organic Pollutants**
- **Minamata Convention on Mercury**
- **UN Convention on Children's Rights**
- **United Nations Civil and Social Covenants**

We comply with the prevailing legislation. Where local legislation goes beyond international human rights law, we comply with such legislation.

We expect all managers and employees of KNDS Deutschland as well as our suppliers and other relevant business partners to recognize the principles documented in this policy statement, to comply with appropriate processes to respect human rights and environmental protection, to cooperate in the respecting of human rights and environmental risks and to promote the implementation of preventive and remedial measures to the best of their legal and actual abilities.

2 OUR STRATEGY

Our holistic risk management across all areas of the company effectively helps to identify risks and avoid violations of human rights or environmental obligations as set out in the LkSG. The system includes the following key elements: Responsibilities, risk analysis, measures, complaints mechanism, documentation and reporting.

2.1 RESPONSIBILITY

The KNDS Deutschland management board is responsible for the implementation of and adherence to this policy statement. The Human Rights Officer and the central function responsible for compliance at KNDS Deutschland provide advice and support.

The KNDS Deutschland Human Rights Officer reports directly to the Management Board. She coordinates and monitors the activities according to the LkSG in the divisions and activities required for risk management, including the annual and ad hoc risk assessment and -prioritization. To this end, she collaborates with other internal stakeholders, such as the relevant purchasing, logistics, human resources, and occupational health and safety departments.

The KNDS Deutschland management is regularly informed about the work of the Human Rights Officers at least once a year and also on an ad hoc basis. The operational responsibility for implementation lies with the relevant functions of KNDS Deutschland (in particular Human Resources, Occupational Safety, Compliance Department, Purchasing and Logistics), which take appropriate measures to fulfill due diligence obligations.

2 OUR STRATEGY

2.2 RISK ANALYSIS

We review the extent to which risks exist or arise in our business units (KNDS Deutschland GmbH & Co. KG and its subsidiaries) or at our direct suppliers with regard to compliance with human rights and environmental protection on an annual basis and as required. The results of the risk analysis are incorporated into our decision-making processes with respect to business strategy, supplier selection, supplier management, etc.

The activities within our own division are primarily concentrated in Europe. We are also active in other countries outside Europe. Our direct suppliers are located in various countries around the world. We are therefore aware that various human rights and environmental risks can arise in our divisions and along their supply chains. As part of our risk analysis conducted in 2023, and with the support of an external team of experts, we identified and assessed the plausibility of specific and theoretical country- and industry-specific risks relevant to our divisions in accordance with the LkSG.

We determined and assessed the country-specific risks using the World Bank Development Index, the Global Rights Index, the Global Slavery Index, the Children's Rights Index, the Global Gender Gap and the Environmental Performance Index. The industry-specific risks

were identified with the help of our team of experts, and are based on our purchasing categories grouped into industry clusters.

Thereafter we weighted and prioritized these risks, taking particular into account the type and scope of our business activities, our ability to influence any direct risk contributors, the typically expected severity of the violation of human rights or environmental due diligence obligation, its reversibility and the likelihood of its occurrence, as well as the nature of our potential causal contribution.

We then checked the plausibility of the abstract risks from the perspective of our business and purchasing activities. Afterwards we weighted the plausible risks considering the typically expected severity of the infringement of human rights or environmental protection, especially the degree, extent, and reversibility of the impact, as well as the probability of occurrence and our ability to influence any direct risk factors. The resulting risk values formed the basis for the subsequent risk prioritization. Additionally, the nature and scope of our business activities, as well as the nature of our potential contribution to causation, are included in the methodology.

The risk analysis of our own business activities in accordance with the LkSG has shown that there may be priority risks in the area of occupational health and safety. Further risks that we pay particular attention to within our own business area include environmental protection risks, withholding a living wage, restrictions on freedom of association and discrimination.

The risk analysis also revealed that there could be priority risks related to occupational health and safety issues concerning our immediate suppliers. Further risks that we pay particular attention to with regard to our suppliers include environmental protection risks, withholding a living wage, restrictions on freedom of association, and discrimination.

In the event of a future change in the risks we deem to be priorities, we will publish an appropriate updated version of this policy statement.



2 OUR STRATEGY

2.3 MEASURES

Ensuring a safe and health-promoting work environment for our employees is a key priority to us. Occupational health and safety is an integral part of our corporate principles and we continuously review opportunities for improvement at all KNDS Deutschland sites and subsidiaries.

The KNDS Deutschland companies operate an active and systematic supply chain management system and take appropriate preventive measures towards direct suppliers in accordance with Section 6 (4) LkSG. Business with our direct suppliers should always be conducted on the basis of our Supplier Code of Conduct.

We also develop training courses tailored to the specific risk situation of each business unit, to mitigate specific human rights and environmental risks through education.

KNDS Deutschland companies review the adequacy and effectiveness of their preventive and corrective measures and complaint procedures annually and also whenever necessary.

2.4 COMPLAINT MECHANISM

KNDS Deutschland has various reporting channels for submitting complaints and tips. KNDS Deutschland provides, among other resources, a digital whistleblower system (accessible via our website at <https://www.knds.de/en/about-us/compliance/>), the Integrity Line, through which reports of human rights or environmental risks or any violations within our own business area or in our supply chains are received.

In particular, we encourage employees to report suspected violations of this policy statement or LkSG compliance requirements.

Complaints and information can also be submitted by post:

**KNDS Deutschland
GmbH & Co. KG
GF-CO
Krauss-Maffei-Str. 11
80997 Munich, Germany**
and by email to
compliance@knds.de

All channels ensure that notifications

are handled confidentially. The electronic whistleblowing system allows the establishment of a mailbox through which the reporting individual can communicate with the Compliance Department while maintaining the confidentiality of their identity.

The procedural guidelines for reporting complaints in accordance with Section 8 LkSG are available in German and English on the company website.

2.5 DOCUMENTATION AND REPORTING

The fulfillment of the due diligence obligations is documented on an ongoing basis. Each year, KNDS Deutschland will inform the Federal Office for Economic Affairs and Export Control (BAFA) in a publicly available report about the implementation of this policy statement and the fulfillment of the due diligence obligations according to the LkSG.

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