

Modern Slavery Act Statement

For the financial year ended 31st December 2020

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and sets out the steps that HENSOLDT UK has taken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Modern slavery takes various forms, such as slavery, servitude, forced, compulsory labour, and human trafficking, all of which result in the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. The company's understanding of modern slavery and human trafficking is based on the definitions given in the Act.

As part of worldwide HENSOLDT group of companies, HENSOLDT UK has a zero tolerance approach to any form of modern slavery. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

Organisational Structure

HENSOLDT offers their customers first-class sensor systems for protection, for surveillance and for situational awareness. HENSOLDT is a leading supplier for platform independent offerings deployed across the domains air, sea, land and security for armed and security forces worldwide. HENSOLDT's business is divided into two segments: Sensors and Optronics. Sensors comprises three divisions: Radar, IFF & COMMS, Spectrum Dominance & Airborne Solutions and Customer Services. Optronics comprises our Optronics division. As the largest European pure-play defense and security electronics house, we contribute significantly to the protection of soldiers and the operational capability of the German Bundeswehr and the wider NATO.

In 2020, HENSOLDT comprised sales offices in 19 key accessible defence markets globally with about 5,400 employees worldwide. Our major production facilities in Germany are in Ulm, Oberkochen, and Pforzheim. We have a production site in Massy, France and Enfield, United Kingdom, as well as another two in Irene and Pretoria, South Africa.

Kelvin Hughes trading as HENSOLDT UK is a world leader in the development, manufacture and supply of maritime navigation and surveillance radar systems. The company sets the

international standard in solid-state radar sensor technology with SharpEye™ and its market leading navigation and tactical radar display systems.

With a product range covering maritime and land applications, which provides class-leading detection from naval to commercial maritime navigation, port Vessel Traffic Services (VTS), coastal and ground surveillance and marine security applications.

HENSOLDT UK employs nearly 200 people worldwide with offices in the UK, The Netherlands, Denmark and Singapore.

Our Code of Business Ethics and Policies

Our Standards of Business Conduct and Policies demonstrate our commitment to acting ethically and with integrity in all our business relationships and to implementing and promoting this approach in our supply chain.

HENSOLDT expects all its affiliations and subcontractors to operate in accordance with its Standards of Business Conduct and Policies. As a global company, HENSOLDT recognises the importance of the need to add value to our customers and stakeholders by working responsibly in everything it does. The code and policies outline the framework that we work within, covering a range of different activities of focus designed to guide its interactions with all stakeholders, suppliers, colleagues and the environment providing a strong ethical foundation to HENSOLDT's activities.

This is the foundation of our commitment to legal compliance, including the prohibition of bribery and any form of corruption. The Standards of Business Conduct and other relevant Policies are reviewed and updated as applicable to take account of legal, regulatory and enforcement procedure changes. It also sets out the principles of how HENSOLDT does business, based on the common values of integrity, honesty, fairness and transparency.

The policies adopted with our Standards of Business Conduct are:

- We comply with the Law
- We compete fairly
- We act with integrity in all our business dealings
- We treat suppliers, partners and customers fairly
- We treat our co-workers respectfully
- Endeavour to uphold the principles of the Armed Forces covenant
- We contribute to healthy, safe and secure workplaces
- We respect the environment

- We participate in relevant public debates
- We respect Human Rights
- We have high standards of financial record keeping and reporting

Our Supply Chains

Our supply chains include business partners in the provision of our products as well as providers of other services necessary to run our business effectively, such as IT, payroll, and facilities. Moreover, HENSOLDT is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

HENSOLDT has formalized a set of corporate social responsibility policies aiming to achieve a sustainable development by balancing the economic dimension with environmental and social considerations. Moreover, HENSOLDT is committed to promote its set of core values regarding Human Rights, Labor rights standards, environment and anti-corruption practices within its organization and everywhere it develops activities.

These values and practices are in line with international recognized standards as laid out in charters, declarations and guidelines, including the OECD Convention on combating bribery of foreign public officials in international business transactions, the OECD Guidelines for Multinational Companies, the Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the commitments taken by HENSOLDT concerning corporate responsibility.

We will only work with suppliers who also have a commitment to trading ethically and have a policy in line with our own standards. If the Supplier does not succeed to achieve compliance with HENSOLDT CSR Sourcing Provisions within the agreed time frame, HENSOLDT reserves the right to terminate the contract(s) with the Supplier.

Especially, in light of the obligation to report on measures to ensure that all parts of our business and supply chain are slavery free HENSOLDT UK has reviewed its workplace policies and procedures to assess their effectiveness in identifying and tackling modern slavery issues. Compliance to the Act is a prerequisite under the Hensoldt UK standard terms and conditions of purchase.

Its suppliers' standards of quality, safety, environmental responsibility and human rights is reviewed on a regular basis by our supply chain department. Any suspected instances of

slavery or human trafficking within the supply chain is investigated by its supply chain as part of their due diligence processes.

Suppliers found to be in breach of the Act may have any contracts summarily terminated and risk being removed from the list of approved suppliers to HENSOLDT UK.

Due Diligence Processes for Slavery and Human Trafficking

Sustainability and human rights are among the responsibilities of the Hensoldt Management Board. The CHRO is supported in his role of the Chairman of the ESG Committee by selected senior officers as well as the sustainability enabling function. Under the lead of the General Counsel, our compliance organizations at HENSOLDT and site levels monitor compliance with our corporate compliance policies. Suspected compliance violations can be reported anonymously to a central compliance hotline or an ombudsman.

As part of our initiative to identify and mitigate risk our procurement process shall ensure that key suppliers comply with all necessary laws and regulations; they are required to:

1. take reasonable steps to protect the health and ensure the safety of their own workforce and all workers in their supply chain;
2. not use or allow to be used any slavery in the performance of their obligations to us;
3. comply with all local laws and best practices with regard to the suitability of employee working conditions;
4. allow their workforce the freedom to leave their employment without the threat of deterrents;
5. take steps to prevent the illegal treatment of their workforce by their management or any third party;
6. have an anti-bribery policy;
7. where necessary, work with us to identify, audit and eradicate areas perceived to be at risk of modern slavery and human trafficking; and
8. show a continued commitment to work with us to rectify any risk of modern slavery
9. Protect whistle blowers

Training

HENSOLDT rolled out numerous trainings on the Standards of Business Conduct as well as selected compliance policies which take into account recent regulatory developments. Those trainings are compulsory for all employees

Our Effectiveness in Combating Slavery and Human Trafficking

We will continue to review and improve our policy's to combat modern slavery and human trafficking and aim to ensure that our suppliers are aware of it and remain compliant with it.

This statement was approved by the Chairman of HENSOLDT AG Board of Management and by the Board of HENSOLDT UK and applies to those companies.



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HENSOLDT AG



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CHIEF HUMAN RESOURCES OFFICER
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RUSSELL GOULD
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Date: 22nd March, 2021