

Rheinmetall AG · Postfach 104261 · 40033 Düsseldorf

Transparency International Defence & Security
10 Queen Street Place, London, EC4R 1BE

Dear Sir or Madame,

Rheinmetall is an integrated technology group with market leadership in the segments of environmentally friendly mobility and threat-appropriate security. We are situated in more than 30 countries and in 2020 concluded business with customers in over 140 countries.

It is important to appreciate the major significance of reputable and ethical business conduct to any company - especially if it operates on a global scale. This goes even more for companies in the global defence market.

Following an internal 360° review in 2014 and notwithstanding the progress already made, the characteristics of the defence sector have ever since meant that in terms of Compliance significantly more needed to be done. Therefore, we have stepped up our efforts considerably and implemented a sustained program of change.

A consolidated and comprehensive suite of mandatory robust policies consistent with the Code of Conduct has been introduced, rigorous, business-integrated procedures have been put in place and a significant number of full-time Compliance staff has been placed around the globe to address the ethical and reputational risks connected with competing for government and export contracts. Further essential work has been completed, in particular in the key areas of Leadership, Internal Controls, Support to Employees, Conflicts of Interest, Supply Chain Management, Agents, Intermediaries and Joint-Ventures as well as High Risk Markets.

Encouragingly, our efforts have paid off. For the third time in a row, our DCI grade has improved, now to a "C".

We appreciate TI's mission and zeal for promoting and supporting openness and transparency in the defence sector. Still we do feel there are certain limits. Strict confidentiality requirements or stringent contractual and security-related restrictions in our Governmental business make it at times difficult to provide full access to certain documentation without breaching obligations to customers and business partners. Additionally, we have refrained from publishing individual guidelines fully as we regard these as proprietary information. Also, we would have been more than supportive to assist TI more during their assessment to avoid misunderstandings or missing out on content that has actually been specifically posted on our Compliance websites to fulfill the documentation requirements. Unfortunately, these circumstances have lost us points. So, if we might make a suggestion, then it would be to consider returning to the previous methodology to also scrutinize internal, proprietary documentation on a confidential basis to get the full picture of the Compliance efforts invested by those assessed in the DCI.

But, all's well that ends well. We live and learn. And there is always room for improvement. We would like to thank TI for the opportunity to participate and learn from the TI DCI 2019.

Kind regards,
Rheinmetall Aktiengesellschaft



Armin Papperger, Chairman of the Board



Michael Salzmann, Chief Compliance Officer

Rheinmetall AG

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