

Anti Slavery & Human Trafficking Statement

Introduction

At Mechadyne International Ltd we prize our ethical approach and are committed to complying with all laws and regulations applicable to our business, including taking steps to ensure that there is no human trafficking or slavery within any part of our business or supply chain.

By law, companies like ours in the UK are required to disclose publicly the steps we are taking to identify and eradicate forced labour and human trafficking from our supply chains and we are committed to upholding the principles contained in the United Nations Universal Declaration of Human Rights and the UK Modern Slavery Act 2015.

We believe the nature of what we do at Mechadyne means that the risk of human trafficking and slavery occurring in our business or in our supply chains is low. However, our continuing commitment to combatting human trafficking and slavery is reflected in our corporate governance and operating procedures which require all Mechadyne people to act ethically and with integrity in all our business relationships.

About Our Organisation

Mechadyne International Ltd is a technology application and development company aiming to improve the efficiency and environmental impact of internal combustion engines. We identify, develop and prototype advanced automotive technologies with a focus on improving engine emissions and fuel economy.

Mechadyne is part of the research and technology unit of Rheinmetall Automotive part of the Rheinmetall Group whose head office is based in Düsseldorf.

Rheinmetall's reputation, its business success and the confidence of customers, investors, employees and the public in the Company depend not only on the quality of its products and services, but also to a large extent on good corporate governance. Rheinmetall firmly believes in sustainable corporate management and commits itself to impeccable conduct that is characterised by responsibility, integrity, respect and fairness, in line with its values and principles. The Company is an honest, loyal and reliable partner to its stakeholders. The members of its Executive Board and its managers, executives and employees have an obligation to conduct themselves correctly in business dealings, to protect Rheinmetall's reputation, to preserve the Company's tangible and intangible assets and to avoid anything that can result in operational or financial disadvantages or damage to the image of individual companies or the Group. The Company acts in accordance with the law and complies with guidelines and regulations. Rheinmetall AG's Executive Board takes a zero-tolerance approach to illegal and/or unethical behavior and to corrupt business practices, no matter what the circumstances.

Supply Chains

We work with companies from all over the world on engineering projects researching and developing our prototype valvetrain technology with the ultimate aim of moving to production and manufacture of these. Our supply chains are predicated on our requirement to source raw and processed materials principally related to the manufacture of parts. Our suppliers range from small local manufacturers and service companies to multi-national businesses and we demand the highest of standards from them all, not only in the quality of the products and services they deliver to us but also in the conditions that they are made in.

Our Operations Manager has overall responsibility for monitoring our suppliers and completing supplier visits and reports. Where any concerns or risks to the business arise these will be reported up the line and management at all levels will commit to acting on those concerns.

At a Group level Rheinmetall expects its suppliers to share the principles of the Rheinmetall Group with respect to responsible and fair behaviour toward employees, customers, suppliers and the public and to realize this

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responsibility accordingly. Rheinmetall expressly supports and encourages its business partners to apply and take into account the principles stipulated in the Group's Code of Conduct in their own corporate policy and sees this as a beneficial basis for further business relationships

Controlling and identifying risks

Within our own operations, the risk of slavery and human trafficking is controlled as a result of our policies and procedures, the oversight built into our operations, and the knowledge and skills of our staff.

Externally, and without exception, we expect all of our suppliers to commit to the highest possible standards in their employment practices. If they are found to be failing then we will challenge them, and if they are then still unable to meet our stringent standards we will source product elsewhere.

Our Policies on slavery and human trafficking

Our modern slavery policy sits alongside our corporate governance and reflects our commitment to acting ethically and with integrity in all our business relationships.

In addition, we have a solid structure of existing policies and procedures which support our commitment and are relevant to preventing human trafficking and modern slavery.

At a Group level these include:

- Rheinmetall Group Annual Corporate Responsibility Report
- Group Corporate Compliance policies
- Group Code of Conduct

At an individual business level in the UK:

- Positive and flexible working environment
- Anti Bribery and Corruption policy and training
- Equal Opportunities policy
- Whistleblowing policy

High risk activities

The main risk to the implementation of this policy is geographical. In order to minimise this, our Project Co-ordinator maintains consistent contact with suppliers who are aware that they may be challenged at any time.

The Evolution of our Anti Slavery and Human Trafficking Policy

In line with legislation and because of the importance of ensuring that our commitment to ethical behaviour remains part of the DNA of our business we aim to build on our current measures year on year as follows:

- Modern slavery will become a regular agenda item at our senior management team meetings. Any breach of this policy will be treated as a non-compliance and will remain as an agenda item until it has been fully dealt with. Any learning points will be fed back to the team and incorporated into their processes.
- Provide the opportunity to all employees who have any contact with our supply chains to complete training on modern slavery.
- Ensure that all suppliers are challenged on a regular basis to ensure that they meet our standards.
- Review our internal policies to ensure a robust and consistent approach.

This statement is made by Mechadyne International Limited pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Mechadyne's slavery and human trafficking statement for the fiscal year to 31st December 2019. It was approved by the board of Directors on 24th July 2018.