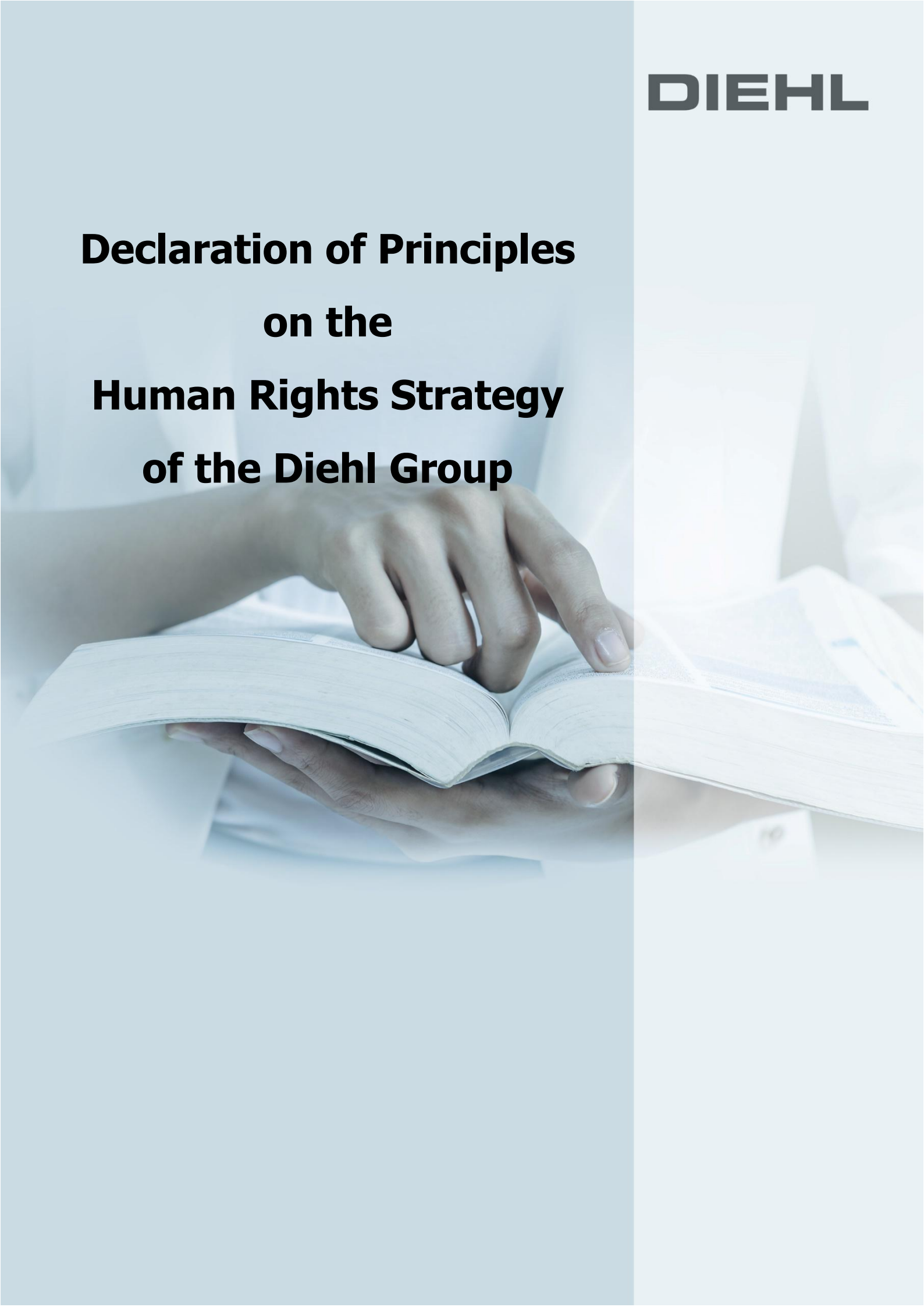


**Declaration of Principles
on the
Human Rights Strategy
of the Diehl Group**



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1. Preamble / Preliminary Remark

The internationally operating Diehl Group can look back on more than 120 years of corporate history and tradition. As a technology group with its five Corporate Divisions Aviation, Defence, Metall, Controls and Metering, Diehl is positioned as a manufacturer, supplier and customer in the aerospace, defense, automotive, electrical engineering, gas and water supply industries.

Durability and sustainability are essential components of Diehl's strategic orientation. This includes a clear commitment to internationally recognized human rights, both in our own Corporate Group as well as among our suppliers and business partners.

In addition to our commitment to respect human rights and environmental protection, Diehl pursues the Human Rights Strategy outlined in this Declaration of Principles to comply with due diligence obligations within our own business operations and supply chains. The entire human rights organization and the individual persons responsible are provided with the necessary competencies by the Executive Board and receive support as required.

The Human Rights Strategy, like all measures, is reviewed once a year to ensure its topicality and effectiveness. Should human rights and environmental risks change due to any alterations among business partners, the Executive Board reserves the right to adjust the Declaration of Principles on Human Rights Strategy, the procurement strategy and the business processes.

The Executive Board

2. Commitment to Human Rights and Environmental Obligations

It goes without saying that Diehl treats its employees, business partners and non-governmental organizations (NGOs), in particular employee representatives, trade unions and other interest groups (e.g. political parties, nature conservation and environmental protection associations) with respect.

Diehl and its corporate bodies commit themselves worldwide to respecting and complying with human rights and environmental protection regulations. In addition to the Supply Chain Due Diligence Act (LkSG), the following points constitute the relevant guidelines:

- the International Bill of Human Rights of the United Nations,
- the UN Guiding Principles on Business and Human Rights,
- the Declaration of the International Labor Law Organization (ILO),
- the OECD Guidelines for Multinational Enterprises,
- the EU Conflict Minerals Regulation (Mineral Resources Due Diligence Act),
- the Timber and Timber Products Regulation (Timber Trade Safeguards Act),
- the Minamata Agreement,
- the Stockholm Convention,
- the POPs Convention,
- the Basel Convention

Diehl vehemently rejects any violation of one of the elementary human and basic rights listed in Section 2, Paragraph 2, Nos. 1 to 12 of the LkSG, in particular the following:

- any form of child labor, forced labor, slavery, servitude
- disregard of occupational health and safety,
- disregard of the freedom of association,
- any form of unequal treatment and discrimination against minorities (on the basis of national or ethnic origin, social origin, disability, sexual orientation, age, gender, political opinion, religion or belief),
- withholding fair wages from employees
- causing harmful environmental changes,
- unlawful evictions or unlawful deprivation of land, and
- the use of questionable private or public security companies.

In its own business units, Diehl complies with the environmental regulations pursuant to Section 2 (3) Nos. 1 to 8 LkSG regarding

- the production, use and disposal of mercury, as well as
- the proper recycling and waste disposal

Conducting business in compliance with the laws and official regulations of the countries in which its employees work is self-evident for Diehl. In addition to the above-mentioned international agreements and laws, Diehl has issued

- a Code of Conduct for employees (Code of Conduct) and
- a Code of Conduct for suppliers (Supplier Code of Conduct)

in the sense of self-commitment declarations.

The Code of Conduct for employees is substantiated by Diehl Group Directives and internal instructions providing further legal guidance for the departments concerned (Human Resources, Procurement, Sales, Legal & Tax, Finance and Accounting, etc.).

Accordingly, within an existing contractual and supply relationship, business partners shall be obliged to comply with the provisions of the Code of Conduct for Suppliers and to comply with the internationally applicable provisions and standards on top of Diehl's self-commitment.

3. Human Rights Organization

Diehl maintains a corporate-wide human rights organization. The Human Rights Committee constitutes the Human Rights Officer within the meaning of section 4 (3) sentence 1 LkSG. The Human Rights Committee is composed of representatives from various disciplines (in particular law, compliance, internal auditing and sustainability). The Executive Board obtains information on the work of the Human Rights Committee once a year, the Human Rights Committee reports at least once a year on relevant incidents and presents the report intended for publication to the Executive Board.

Further functions under the Human Rights Committee are the so-called Human Rights Coordination and Compliance Representatives in the affiliates. Human Rights Coordination deals with all legal issues relating to the German Supply Chain Due Diligence Act and supports the departments concerned. The compliance representatives within the individual companies receive reports of violations of human rights or environmental regulations, develop concepts with suppliers to eliminate such violations, and monitor their implementation.

All departments involved in the procurement process, in particular General Procurement, Sales and Quality Management, are entrusted with tasks relating to the implementation of the human rights strategy vis-à-vis business partners. In the procurement departments, annual risk analyses are carried out, criteria for the supplier selection process are defined, codes of conduct are negotiated with suppliers and remedial measures are defined with the supplier in the event of violations.

4. Risk Analysis

Diehl implements a **human rights strategy** with the content that its **own business units abroad** are subjected to a risk analysis comparable to that of **direct suppliers**. The human rights strategy includes **direct and indirect measures** in its own business units and with business partners to achieve direct and/or indirect improvements in human rights and environmental protection.

Diehl takes the approach of identifying high-risk suppliers in advance. General Procurement uses a software program that helps perform an annual human rights and environmental assessment of all suppliers worldwide. Criteria are the country in which a supplier has its headquarters or location and the industry to which it belongs. After the assessment has been carried out, a country-specific and/or industry-specific risk can be derived by assigning score points. Suppliers with a high risk potential can influence their score by submitting a self-disclosure and improve the score by taking and implementing measures. The score determined after the risk analysis does not initially result in the exclusion from tenders within the procurement process, but is taken into account when deciding on the award of the contract.

The obligation to carry out an annual review of the effectiveness of the individual measures and the information to be gathered for this purpose simultaneously serve to implement risk-based monitoring measures regarding compliance with the human rights strategy.

5. Priority Human Rights and Environment-related Risks

In the course of the initial risk analysis, no specific human rights or environmental risks were identified, neither in the company's own business nor among its business partners, apart from general risks based on country or

industry affiliation. Diehl prioritizes compliance with the following listed human rights and expects compliance, in particular with the labor law provisions applicable in each country.

5.1. Prohibition of child labor, forced labor, slavery, servitude

In particular, children and adolescents must be protected from the worst forms of child labor, exploitation and working conditions that are hazardous to health. The compliance with the minimum age applicable in a country and the Convention on the Minimum Age for Admission to Employment is ensured in Diehl's own business unit. The compliance with the child and adolescent labor protection applicable in a country is demanded from each supplier.

Forced labor, slavery or servitude means - in addition to the exercise of direct coercion - the withholding of ID cards and passports, accommodation in mass housing and the retention of remuneration in order to pay off a personal debt, as well as the exploitation of an economic and financial hardship of a person. The payment of adequate and fair remuneration can counteract any form of forced labor, slavery or servitude.

5.2 Adequate remuneration and occupational safety and health protection

In its own business unit, Diehl ensures adequate remuneration, corresponding at least to the average wage in a country in relation to the work performed. Fair working conditions, adequate pay, observance of working hours and rest breaks, granting of vacation or continued payment in case of illness, compliance with recognized occupational safety standards and active health management are among the basic principles of employee protection.

5.3 Equal Treatment

The principle of equality as a recognized human right is a very valuable commodity and the basis for the exercise of all freedom rights, in particular the general freedom of action, freedom of opinion, freedom of association and freedom of occupation. Diehl rejects any kind of discrimination or unequal treatment based on national or ethnic origin, social origin, disability, sexual orientation, age, gender, political opinion, religion or ideology. Everyone should have equal access to education and to the labor market through equal treatment, enabling them to have a chance to secure their livelihood.

5.4 Respect for Natural Resources

Land, pastures, farmland, forests, clean waters and pollution-free air are essential natural resources and secure the livelihoods of people engaged in livestock breeding, agriculture, forestry or fishing. Diehl rejects the illegal deprivation of possession and ownership of land, forests or water for construction, mining of raw materials or other uses by means of forced evictions.

5.5 Environmental Obligations

Alongside the various international agreements and conventions, the minimum requirement is to comply with the environmental protection laws and standards in force in each country to prevent harmful soil, water and air pollution, and to avoid noise emissions and excessive water consumption.

6. Preventive Measures in our own Business Unit

As a preventive measure in its own business unit, Diehl communicates the Declaration of Principles on Human Rights Strategy both internally and on the website www.diehl.com.

Risk analysis is an essential part of the procurement strategy and purchasing practices. For this purpose, Group Guidelines have been issued for the incorporation of supplier codes of conduct with regard to the business relationship, together with guidelines for the awarding of contracts, in due consideration of the risk analyses. Identified risks relating to human rights and the environment are adequately taken into account in the procurement and awarding process.

Another preventive measure consists of compliance trainings in the company's own business units, in particular in General Procurement, Human Resources and Social Affairs, as well as for the individual Compliance Representatives.

7. Preventive Measures vis-à-vis Direct Suppliers

The importance of risk analysis with the help of the software is worth emphasizing, especially the ability of a supplier to improve the determined risk assessment score by self-reporting and to continue participating in the procurement process.

When identifying risks, Diehl has set itself the goal of incorporating the Diehl Supplier Code of Conduct or a comparable document into the business relationship with direct suppliers as a preventive measure.

Given the large number of suppliers, a letter in the supplier's native language or at least in English is generally preferred in order to provide information on the content of the Supplier Code of Conduct. Where training and further education on the contractual obligations arising from the Supplier Code of Conduct are required, these shall be carried out at the supplier's premises.

Suppliers are requested to submit certificates or audits during the tendering procedures serving as control mechanisms, with contractual agreement on the right to have a certification or audit carried out by Diehl or an independent service provider.

8. Remedial Measures within the meaning of § 7 LkSG (Dealing with Violations).

In its own business units, Diehl pursues a zero-tolerance approach. Violations of human rights or environmental protection regulations are eliminated immediately after they become known.

If business partners are found to have committed violations of human rights or environmental regulations, the aim is to educate and train the business partner on human rights and environmental regulations. In parallel with the education and training of a business partner, action plans for the termination and/or elimination of human rights and environmental violations are to be defined together with the business partner and implemented within a specified period.

Despite the principle of qualifying business partners as a matter of priority, Diehl reserves the right to terminate the business relationship with a business partner as a last resort and, at the same time, as a last consequence.

9. To Make a Complaint

Diehl maintains several complaint and whistleblower options. In principle, employees can report grievances and violations directly to their Superiors, the Human Resources Department, the Compliance Officer, the Data Protection Officer or the responsible employee representative. Business partners have the option of contacting the responsible contact persons in procurement.

To protect complainants and whistleblowers, there are also various options for submitting complaints or tip-offs anonymously. On the website www.diehl.com, under the category Compliance#Human Rights, the Rules of Procedure are published in German and English.

Under the categories Compliance/Human Rights or Compliance/Organization#Reporting Offices, users of the website are redirected to the Complaints and Whistleblowing Portal (<https://diehl.integrityline.com/setup>). Complaints or tip-offs on this portal can be made in the following languages: German, English, French, Spanish, Portuguese, Polish and Hungarian. Employees and third parties have the option of submitting complaints or tip-offs anonymously. Due to data protection regulations under Chinese law, the Diehl Group maintains an independent whistleblower system (compliance-diehl-china@roedl.cn) for its own business unit and the resident suppliers in The People's Republic of China, with the involvement of an independent law firm that is not bound by instructions in its capacity as an ombudsman. The law firm is professionally obligated to maintain the anonymity of the complainant and whistleblower vis-à-vis the Diehl Group.

Furthermore, there is the option of sending complaints or tips to an independent lawyer serving as an external ombudsman. The contact options are also published on the website under the categories Compliance/Human Rights or Compliance/Organization&Reporting Offices. The ombudsman is independent of the Diehl Group and not bound by instructions. In the case of reports, he is professionally obliged to protect the identity of the complainant and whistleblower.

10. Involvement of Indirect Business Partners

Should Diehl obtain substantiated knowledge of violations of human rights or environmental regulations on the part of an indirect business partner through the existing complaint options or through notifications from a direct business partner, such business partner shall be included in a software-based risk analysis. Considering Diehl's possibilities to exert influence on the indirect business partner, Diehl will take preventive and remedial measures against the indirect business partner in coordination with the direct business partner on a case-by-case basis. Diehl will preferably take industry-specific or cross-industry initiatives in this context.

11. Meeting the Documentation and Reporting Requirements

Procurement at each Diehl Corporation registers and documents the evaluations of the risk analyses as well as the agreed Supplier Codes of Conduct. Furthermore, when there are indications of violations of human rights or environmental regulations, the processes are digitally recorded and digitally stored. All documentation is stored for seven years.

The Human Rights Committee and the Human Rights Coordination are responsible for preparing a uniform report for the entire Group as long as and insofar as a Diehl company is not or does not become a self-reporting company.

This annual report, which is to be published on the website, is made available within four months of the end of a financial year on the website www.diehl.com under the category Compliance#Human Rights in German and English and is accessible for public examination for a period of seven years.

In addition, Diehl will electronically submit the report(s), written in German, to the Federal Office of Economics and Export Control within four months after the end of a financial year.

12. Regular Review

The annual or ad hoc evaluation of the effectiveness of the various measures is carried out by the Human Rights Coordination. It will report the results to the Human Rights Committee and make recommendations for change to the Human Rights Committee.