

# Annual Report Sustainability Report 2023

Detect and Protect

# CONTENTS

- 1 Sustainability Management ..... 1**
  - Statement from the Management Board ..... 1
  - About This Report ..... 2
  - Corporate Governance ..... 3
  - Strategy, Vision and Materiality Analysis ..... 4
- 2 Business Integrity ..... 16**
  - Compliance and Anti-corruption ..... 16
  - Human Rights ..... 18
  - Digitalisation, Data, and Security ..... 18
- 3 Responsible Sourcing ..... 21**
- 4 Human Potential ..... 23**
  - Employment ..... 23
  - Training, Continuing Education and Talent Promotion ..... 23
  - Diversity and Equal Opportunities ..... 25
- 5 Health, Safety and Environmental Protection ..... 27**
- 6 Community Relations ..... 29**
- 7 Planet and Resources ..... 31**
- 8 Product Responsibility ..... 33**
- 9 GRI Content Index and Data ..... 35**
  - GRI Content Index ..... 35
  - GRI Performance Data ..... 41
- 10. Assurance Report of the Independent Auditor ..... 44**
- Imprint ..... 47**

# 1 Sustainability Management

## Statement from the Management Board

Dear Readers,

We are living in an era of profound geopolitical changes and the escalation of global crises. The past two years marked a turning point for our democracies, characterised by Russia's war of aggression against Ukraine and the numerous latent conflicts around the world. In future, it will therefore be even more important to protect our freedom and democratic values.

Moreover, climate change is one of the most pressing challenges of our time. The changes in the climate system are revealed in extreme weather situations and environmental disasters such as droughts, water shortages, earthquakes or storms. It is therefore time for us to urgently develop concepts and take measures aimed at protecting the environment.

Security is the foundation of a sustainable future – and we equally are committed to both. We take our responsibility as a sustainably operated company very seriously and have set ourselves ambitious targets for avoiding emissions, achieving resource-efficient economies and complying with a responsible corporate governance.

Since 2021, we have been consistently implementing our ESG Strategy 2026 consisting of seven pillars and 120 KPIs. The ambitious goal of becoming carbon neutral by 2035 remains the focus and concrete measures have been taken to constantly reduce our carbon footprint. For example, we have pushed the expansion of photovoltaics in order to increase the proportion of renewable energies in a targeted manner.

In addition, corporate integrity is a central cornerstone of our business practices at HENSOLDT. Compliance with ethical principles and an active commitment to human rights throughout our value chain is our primary objective. The German Supply Chain Act (GSCA) plays an important role in this context. At the beginning of the year, we took all the necessary steps to implement the requirements and to establish the necessary processes.

Furthermore, we have made extensive efforts to prepare for future reporting requirements according to the Corporate Sustainability Reporting Directive (CSRD). The latter includes intensive exchange with our stakeholders to identify key topics and internal workshops on central KPIs. These initiatives emphasise our commitment to transparency and continuous improvement of our ESG reporting.

This fourth Sustainability Report that you are reading not only reflects on the milestones that our company achieved in 2023, but also explores the consistent implementation and ongoing development of HENSOLDT's ESG Strategy 2026 at the same time. Our holistic sustainability management constitutes the basis for our overarching goal of having a leading role in ESG in our industry.

We are conscious of the responsibility that we have to our customers, shareholders and employees, but also towards society in general. Together with all our committed employees at HENSOLDT, we work every day to advance our company's development in this sense.

Your Management Board of HENSOLDT AG,  
Thomas Müller, Oliver Dörre, Dr. Lars Immisch, Christian Ladurner, Celia Pelaz Perez



## About This Report

**In March 2024, HENSOLDT is publishing its fourth Group-wide Sustainability Report about all activities of the HENSOLDT Group in the areas of the environment, society, and responsible corporate governance (ESG). The report presents HENSOLDT's approach for each of the topics identified as material, explains the developments and progress in 2023 and provides an outlook for the next year.**

The focus topics during the reporting period were the following:

- In the area of Corporate Integrity, a special focus has still been on the topic of human rights. To fulfill the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains, the necessary processes have been implemented in the fiscal year 2023.
- The implementation of the new European Sustainability Reporting Standards (ESRS) has begun. Therefore, a materiality analysis was carried out in the reporting year, considering the requirements of the CSRD, in order to identify key sustainability topics.
- The objective of becoming carbon neutral (Scope 1 and 2) by 2035 will continue to be pursued and concrete measures will be taken to reduce the carbon footprint.

With this Sustainability Report, HENSOLDT is fulfilling its obligation to disclose non-financial information pursuant to sec. 315b and 315c in conjunction with sec. 289c to 289e German Commercial Code (HGB) in the form of a separate non-financial Group report. Pursuant to sec. 289d HGB, the provisions of the Global Reporting Initiative (GRI) were applied as a framework, with the separate non-financial Group report prepared accordingly (with reference to the GRI standards).

In addition to the requirements of the HGB, HENSOLDT also prepared its Sustainability Report voluntarily in accordance with the GRI standards.

This Sustainability Report simultaneously serves as the HENSOLDT Group Communication on Progress (CoP) as part of the Global Compact of the United Nations.

The reporting period corresponds to the fiscal year 2023.

The statements in this report refer to the scope of consolidation of the HENSOLDT Group's consolidated financial statements (see notes to the consolidated financial statements (2023) chapter II. 6), unless otherwise stated in the relevant section.

A new materiality analysis was conducted in 2023, considering the requirements of the CSRD (Corporate Sustainability Reporting Directive). The results of the materiality analysis conducted in the previous year were reviewed and updated on the basis of this materiality analysis as part of the reporting for the reporting year 2023. In particular, the update was carried out with the involvement of internal and external stakeholders (departments, management and Supervisory Board).

Our business model is set out in the Combined Management Report under "1.1 Business Model" and "1.2 Organisation and Group Structure". Significant non-financial content pursuant to sec. 315c in conjunction with sections 289c to 289e HGB has been audited (limited assurance) by KPMG AG Wirtschaftsprüfungsgesellschaft as part of an audit engagement pursuant to ISAE 3000 (Revised) and is marked with a grey frame in the text and highlighted in light green in the GRI Performance Table.

Sustainability is a core part of HENSOLDT's corporate culture. ESG reporting will be continued in the future taking into account the new requirements of the CSRD. All reports can be found online at <https://www.hensoldt.net>.

To ensure a better readability, the language forms male, female and diverse (m/f/d) will not be used simultaneously in this report. Instead, all personal names apply equally to all genders.

## Corporate Governance

### Lived Values – Now and in the Future

**The long-term success of our business is based on the values of cooperation, excellence, responsibility and innovation. These values are an integral part of the corporate and leadership culture, are exemplified by the top management every day and apply equally to all employees.**

Corporate governance at HENSOLDT comprises all leadership structures, processes, and directives. They are bound together by the principles of responsible and transparent management and controlling that seek to grow the value of our enterprise sustainably. These principles unify our enterprise as a cohesive entity and, with their emphasis on sustainability, ethical responsibility, and the integrity of our business practices and leadership, ensure HENSOLDT's future success. Firmly embedded in our enterprise strategy and activities, they promote the trust of investors and financial markets, business partners, employees, and the public in the HENSOLDT Group.

Our company also follows the recommendations and suggestions of the German Corporate Governance Code.

### Becoming an Industry Leader for ESG

**An enterprise can only function, succeed, and stay ahead of the curve when it has strong leadership. We have firmly embedded the themes of environment, social, and governance (ESG) in our corporate culture under the motto, “set an example every day”. The following values and principles represent the foundation of all our actions:**

- Corporate integrity forms a core pillar of HENSOLDT's business success. Our Code of Conduct defines the basic rules for positive and respectful cooperation within the company and with customers, suppliers, and other partners. It also forms the basis of an internal system to safeguard against corruption and other illegal actions. This includes suppliers who we continuously analyse for ESG risks.
- The excellence of our enterprise is supported by a quality strategy and quality policy, which are helped by effective business and quality management as well as efficient configuration and data management.
- HENSOLDT is aware of its responsibility for its employees, the environment and society. Therefore the traditional risk management not only considers the outside-in perspective but also includes the inside-out perspective. Here, the spotlight is on risks and opportunities that may emerge for society and the environment because of HENSOLDT.
- We aim to offer competitive working conditions and corresponding remuneration. Additionally, HENSOLDT promotes diversity and equal opportunities within its company. In particular, it aims to significantly increase the share of women in leadership positions, for example, to 35 percent in the Executive Committee and 25 percent in the leadership team by 2024.
- As a responsible employer, HENSOLDT supports initiatives and talent around the world at all its sites. For instance, we offer part-time training and professional development programmes at our key locations (Germany, France, the UK, and South Africa) (see chapter 4 “Human Potential”).
- HENSOLDT places a high priority on protecting the environment and climate. Our enterprise has committed to using and handling resources and hazardous substances carefully and responsibly. There is monitoring in all company areas to ensure that this is the case.
- HENSOLDT has implemented measures to avoid and reduce emissions in relevant enterprise processes. In addition to investing in renewable energy sources and energy-saving actions, this includes the reduction of waste flows, and hazardous component substances. Compliance with all statutory and company regulations is reviewed each month based on a schedule of legal provisions and monitored with random inspections and internal audits by Health, Safety and Environment (HSE). If deviations are found, they are documented in the reports and assigned an action plan. The recording of measures is integrated and IT-supported.
- Furthermore, the company continuously expands initiatives that reinforce the principles of the company and its leadership and, in doing so, benefit employees and society as well as contribute significantly to long-term commercial success. The iLEAD programme encourages this thinking. It is not just a program made up of workshops, but rather a new development pathway that develops and coaches “managers” into “leaders”. Moreover, the Elevate initiative – a part of HENSOLDT's sustainability strategy – represents an aim to shift strategy by addressing the three key areas of corporate culture, career development, and exemplary corporate citizenship. This includes taking responsibility for diversity, regardless of gender, nationality, sexual orientation, religion, disability, or cultural background. This Sustainability Report outlines these initiatives in greater detail.

HENSOLDT strives to meet future national and international standards of good and sustainable corporate governance. Furthermore, its corporate governance already makes a key contribution to the company's success. The management board is aware of the growing importance of corporate governance and its contribution to it.

Sustainability has therefore not only always been part of the practiced values at HENSOLDT, but is now also part of the Group-wide corporate strategy. A strategy with a clearly defined objective: "become the ESG sector benchmark".

### **Long-Term Incentive Components: ESG Targets for "Diversity" and "Climate Impact"**

The Management Board remuneration with sustainability components is a central component for achieving the ESG targets by 2026. All Management Board members receive an entitlement to a multi-year performance-related remuneration component (long-term incentive, LTI). The basis for determining the amount of the LTI bonus is the target amount ("LTI target amount"), that is, the amount to which a Management Board member is entitled if the multi-year targets are met in full. At its own discretion, the Supervisory Board determines, at the start of each four-year measurement period for an LTI tranche, the conditions for each LTI component and the corresponding target amount for the bonus tranche in question. The long-term incentive for the tranche 2023–2026 is calculated based on the following LTI components:

- 35 percent based on the company's relative total shareholder return (TSR) compared to the MDAX;
- 30 percent based on the HENSOLDT Group's order intake;
- 10 percent each based on defined ESG targets; and
- 15 percent for the special project of a successful implementation of the business transformation for SAP S/4HANA.

In addition to financial performance goals and the significant emphasis on share price the LTI bonus also incorporates success parameters known as ESG goals, spanning the domains of environment, social, and governance. In the current LTI bonus agreements, these ESG targets are:

- "Diversity" which provides for the achievement of specific quotas of women at various levels of the company.
- "Climate Impact" which seeks to increase the share of renewable energy and reduce carbon emissions.

## **Strategy, Vision and Materiality Analysis**

### **Shared Goals**

**For us, our company's motto of "Detect and Protect" not only means the protection of people, but also equally the protection of the environment, nature, and all aspects of ESG that enable sustainable living and business in the first place. The basis for responsible actions is HENSOLDT's sustainability management, which is firmly integrated into its business. Our vision, "Without security, there is no sustainability", illustrates this and shows how HENSOLDT's high-security products and services contribute to a sustainable future.**

The Group-wide ESG Strategy 2026 defines the corresponding commitments and milestones. In publishing an annual Sustainability Report, HENSOLDT creates transparency and clarity. The company seeks to be among the best in the industry in relation to ESG, too.

## HENSOLDT's Sustainability Management

Sustainability is an integral part of our business strategy. The ESG Committee, which is made up of members of the Management Board and selected executives, sets the priorities for the company's strategic direction for sustainability, integrates them into the business strategy, and supports their implementation. Working together with a Group Sustainability Manager, the committee coordinates all ESG activities and continuously improves the cooperation between the company's various departments and between international sites with a cross-functional ESG team.

To enable a holistic sustainability management, HENSOLDT also maintains a close dialogue with all the company's stakeholder groups – employees, management, investors, customers, suppliers, associations, and municipalities – at all times. An ESG training promotes and sharpens employees' awareness of sustainability-related topics in particular. With its ESG Strategy 2026, HENSOLDT has also defined its pledged objectives for the future and will keep developing sustainability management continuously with significant investment and full commitment.

## HENSOLDT's Stakeholder Engagement

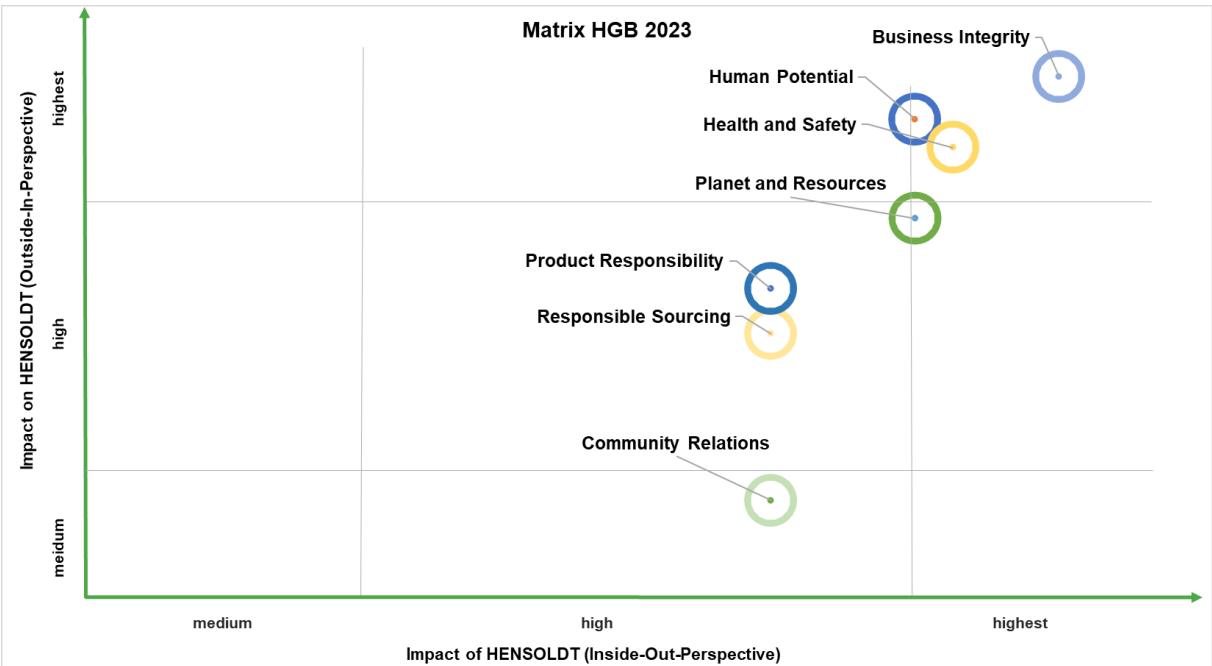
A regular exchange with stakeholders is a high priority for HENSOLDT. On November 22, 2023, HENSOLDT AG held its third Capital Market Day in Ulm. Investors had the opportunity to obtain comprehensive information about HENSOLDT AG and to engage in an exchange with the Management Board team and Executive Committee.

## Materiality Analysis

We have employed an extensive materiality analysis, a well-established method, since 2020 to identify, evaluate, and prioritise the biggest impacts of our business activities on the economy, society, and the environment. The materiality analysis conducted in 2020 was updated in 2023 in line with the European Sustainability Reporting Standards. One significant change is the double materiality analysis which has already been used as a basis now, where risks and opportunities are considered from two perspectives (inside-out and outside-in).

The materiality analysis identifies the topics that HENSOLDT and its stakeholders consider to be relevant.

Internal and external representatives of relevant stakeholders evaluate the individual topics according to the topics' commercial relevance and, in particular, according to their influence on HENSOLDT's business divisions. This evaluation is shown in the matrix below on the y-axis as the impact on HENSOLDT. In addition, the influence that HENSOLDT has on the individual topics was rated by the internal and external representatives. This is shown in the matrix on the x-axis as the impact of HENSOLDT. To this end, a comprehensive survey was conducted among the stakeholders (business divisions, management, and Supervisory Board). Subsequently, the materiality analysis was reviewed by the ESG Committee and submitted to the Board for approval.



In the materiality analysis according to CSR-RUG (HGB), business integrity, health and safety as well as human potential were identified as material topics for the reporting year 2023. In addition, planet and resources, product responsibility and social engagement are further focal points. The topic of responsible sourcing was also included for the 2023 reporting year.

Based on the 2021 GRI Standards, HENSOLDT has developed an approach to present the list of material topics in line with the GRI Standards this year again, next to the matrix in line with the CSR-RUG (HGB).

To determine which topics are considered material and should be reported on, HENSOLDT has followed the guidelines and guidance provided in the GRI Standards 2021. The materiality analysis according to GRI was updated in 2022 based on new analysis requirements.

**GRI Topic List 2023**

The list of GRI topics indicates the seven areas of the sustainability strategy that are influenced most by HENSOLDT’s business activities. The GRI standards applied by HENSOLDT can be found in the GRI content index.

.....

	Cluster
1	Business Integrity
2	Product Responsibility
3	Health and Safety
4	Human Potential
5	Community Relations
6	Responsible Sourcing
7	Planet and Resources

**Detecting and Avoiding Risk**

Concepts were prepared for the material issues identified in the matrix pursuant to the HGB, and risks and opportunities were analysed by means of an enterprise risk management (ERM) process. The risk analysis also evaluates the non-financial risks in relation to all double-materiality non-financial aspects under the HGB in accordance with the specifications in section 289c (3) HGB. This means that the company studies aspects of sustainability from an outside-in as well as an inside-out perspective. The outside-in perspective identifies sustainability risks that can affect the company from outside, in line with the specified aspects. The inside-out perspective looks at sustainability risks that have consequences for the environment and society. The latter perspective is the subject of the risk analysis pursuant to section 289c HGB. All risks identified from both perspectives are recorded in the ERM system (ERM report) and documented and evaluated in a quarterly sustainability risk report. The risk analysis for the material non-financial aspects this year put an overall stronger focus on risks related to human rights and the environment.

Further details about the identified risks are explained further in the management report.

With respect to the material non-financial issues, the risk analysis applied the net method, taking into account risk limitation measures, and did not identify any significant risks – within the meaning of section 289c (3) sentence 1 and nos. (3) (4) HGB – arising from our own business activity or from any business relationships or products that have or will have a high likelihood of severe negative impacts on the non-financial aspects.



## HENSOLDT's ESG Strategy 2026

The ESG Strategy 2026 was defined in cooperation with stakeholders and is a key element of our sustainability management, providing orientation and clear goals as well as subgoals in seven categories. HENSOLDT launched numerous individual initiatives and programmes as part of this strategy and some of them are presented as examples below.



1. **Business Integrity:** HENSOLDT does not tolerate any breaches of applicable legislation. This also includes data protection that encompasses all areas. At the same time, digitisation should make a central contribution to sustainability at HENSOLDT. The area of "risks of human rights violations" will continue to be considered and further developed by the company.
2. **Product Responsibility:** HENSOLDT promotes innovation and continuous improvement of its products and services. Alongside the responsible use of artificial intelligence, this also includes the development of solutions that protect society, wildlife, the climate, and our planet. The focus is currently on the "usage of artificial intelligence" and connecting HENSOLDT technologies with the ESG concept.
3. **Health and Safety:** HENSOLDT actively supports the mental and physical well-being of its employees. Its target lost-time injury frequency rate (LTIFR) should at least remain on the already very low level (LTIFR<sup>1</sup> was at 0.77 in 2023). A health survey was conducted in France in 2023 and further initiatives were offered for stress reduction and ergonomic workplaces.
4. **Human Potential:** As an employer of choice, HENSOLDT attaches considerable importance to the satisfaction of the company's employees. Employment equity is also actively practiced and embraced, including through the desired increase in the share of women in leadership roles to 35 percent. In 2022, the new NEXT VISION programme was launched in tandem with the Energy Factory to strengthen the corporate culture in a period of transformation. The program was enhanced in 2023 with the Next Leadership Principles.
5. **Community Relations:** HENSOLDT acts through the "program for social commitment/good neighbour" program as a good neighbour at all locations worldwide. In 2023, HENSOLDT employees from South Africa, France, the UK and Germany have participated in social projects.
6. **Responsible Sourcing:** HENSOLDT takes responsibility in the supply chain and actively supports its suppliers in reducing their ESG risks. Thereby the requirements of the German Supply Chain Act (GSCA) are also considered.
7. **Planet and Resources:** HENSOLDT has committed to safeguarding the planet and its resources and is seeking to be carbon neutral by no later than 2035. Furthermore, HENSOLDT continued to work consistently in 2023 to achieve the interim target, set in 2021, of reducing its carbon footprint by at least 42 percent from 2020 levels by 2030. These figures relate to Scope 1 and Scope 2.






The ESG Strategy 2026, the goals that it sets in seven categories, its interim targets, and its measures together form a robust foundation for the company's holistic sustainability management. Thereby, we are tackling the current challenges that our planet and humanity are facing.

## Sustainable Development Goals

**The Sustainable Development Goals (SDGs) of the United Nations are made up of 17 goals for sustainable development on economic, social, and environmental levels. They are aimed at countries and organisations around the globe.**

In accordance with its materiality analysis and sustainability management, HENSOLDT has categorised and prioritised the SDGs in a matrix based on its impact on the environment and society as well as based on the relevance for its stakeholders. The analysis indicates that the following SDGs and associated targets are currently in the foreground:

<sup>1</sup> Lost-time injury frequency rate (LTIFR): number of lost-time injuries x 200,000 / total hours worked, value applies to France, Great Britain, Germany and South Africa

	<p>9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors.</p>
	<p>16.5 Substantially reduce corruption and bribery in all their forms.</p>
	<p>4.5 Eliminate gender disparities in education and ensure equal access to all levels of education. 4.B Substantially expand globally the number of scholarships.</p>
	<p>10.2 Empower and promote the social, economic and political inclusion of all.</p>
	<p>13.2 Integrate climate change measures into (national) policies, strategies and planning.</p>

### New ESG Reporting Standards

The new EU Directive on sustainability reporting CSRD came into force in January 2023 and must be transposed into national law by the EU member states by July 2024 at the latest. In this context, binding standards (European Sustainability Reporting Standards, ESRS) were developed by the European Financial Reporting Advisory Group (EFRAG), which will be applicable to HENSOLDT for the 2024 fiscal year. In future, reports on sustainability management according to CSRD will exclusively be included in the management report.

## ESG Risk Rating

HENSOLDT AG's ESG rating is subject to the Aerospace and Defence sector in Germany.

ESG Risk Rating	Updated Dec 05, 2023	Momentum
	16.1	+0,6

	Low Risk			
NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

ESG Risk Rating Distribution	Global Universe	Aerospace and Defence Industry	Aerospace and Defence Subindustry
Negligible	2 %	— %	— %
Low	26 %	1 %	1 %
Medium	41 %	26 %	26 %
High	23 %	51 %	51 %
Severe	8 %	22 %	22 %

ESG Risk Rating Ranking		
UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = Top Score)
Global Universe	2171/15721	15 <sup>th</sup>
Aerospace and Defence INDUSTRY	1/101	1 <sup>st</sup>
Aerospace and Defence SUBINDUSTRY	1/101	1 <sup>st</sup>

HENSOLDT underwent a variety of ESG risk rating processes in 2023 (including Sustainalytics Risk Rating and S&P Global), which is evidence of its ambition to achieve transparency regarding sustainability. The Sustainalytics Risk Rating in particular should be emphasized here. In the overall rating, HENSOLDT achieved a score of 16.1. This puts HENSOLDT on first place in the aviation and defense industries globally.



## EU Taxonomy

### Information pursuant to Article 8 of Regulation 2020/852 of the European Parliament and the corresponding Delegated Regulations for the financial year 2023:

The EU Taxonomy provides a consistent, legally binding system for classifying economic activities that are considered “environmentally sustainable” if they meet defined technical assessment criteria.

An economic activity shall be considered as taxonomy-eligible if it is described in the delegated acts concerning one of the six environmental objectives, regardless of whether that economic activity fulfills the technical assessment criteria laid down in those delegated acts. In order to be declared as taxonomy-aligned, the economic activity must make a substantial contribution to one of the six environmental objectives<sup>2</sup> and, at the same time, no other environmental objective must be significantly compromised by the exercise of such activity (“Do no significant harm” - DNSH). In addition, the minimum safeguards must be adhered.

When drafting the regulation, the European Commission focused primarily on greenhouse-gas emitting industries and sectors and identified potentially relevant economic activities on this basis. The aviation and defence industry, like many other sectors, does not have a core business that falls within the primary scope of the EU Taxonomy by definition, which means that the activities that HENSOLDT is deemed to pursue are largely unaffected by the scope of the EU Taxonomy for the first two environmental objectives. Even considering the framework extension in the current financial year to include the four other environmental objectives in the so-called “Environmental Delegated Act”, no taxonomy-eligible economic activities were identified which are applicable to HENSOLDT. Moreover, HENSOLDT does not operate in the energy sector, which means that the regulations of this sector are not applicable.

Accordingly, the disclosures regarding nuclear energy and fossil gas related activities are as follows:

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

In the financial year, we carried out an extensive analysis of our economic activities and the resulting turnover as well as of our capital expenditure (CapEx) and operating expenses (OpEx). In particular, we analysed the proportions of these items that can be classified as taxonomy-eligible or taxonomy-aligned. To this end, we have extended the concept drawn up in previous years to include the new economic activities and environmental goals and implemented it uniformly within the entire Group. Double counting is avoided by allocating the taxonomy-eligible and taxonomy-aligned turnover, capital expenditure, and operating expenses to only one economic activity under the EU Taxonomy. All activities identified as taxonomy-eligible are assigned to the environmental objective of climate change mitigation.

The current application scope of the EU taxonomy affects HENSOLDT only to a limited extent, as the company is a specialised supplier of sensor solutions in the area of products and services. The company’s business activities chiefly comprise customer-specific development services and the customised manufacture of components according to the relevant area of deployment. The products are not designed for industrial or private end consumers which is why economic activities listed in connection to the transition to a circular economy do not apply to HENSOLDT.

<sup>2</sup> Climate change mitigation, Climate change adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems.

To the current stage of the Delegated Acts, no relevant economic activities in terms of turnover were identified. Therefore, no taxonomy-eligible and thus no taxonomy-aligned turnover was determined. For turnover disclosed as taxonomy non-eligible, please refer to the Group's income statement.

For the turnover KPI, the scope of taxonomy eligibility and alignment per environmental objective is as follows:

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	--- %	--- %
Climate Change Adaptation (CCA)	--- %	--- %
Water and Marine Resources (WTR)	--- %	--- %
Circular Economy (CE)	--- %	--- %
Pollution Prevention and Control (PPC)	--- %	--- %
Biodiversity and Ecosystems (BIO)	--- %	--- %

Taxonomy-eligible investments (CapEx) arise primarily from "internal" activities in connection with the leasing of our sites and the decarbonisation of our vehicle fleet, which is partly classified as taxonomy-aligned.

The entire capital expenditure (denominator of the CapEx KPI) is based on the additions to property, plant and equipment and intangible assets under IAS 16, 38 and IFRS 16 made during the financial year, before depreciation, amortisation, and remeasurement and is disclosed in the statement of change in fixed assets.

The amounts used to calculate the taxonomy-eligible and taxonomy-aligned CapEx are based on the figures reported in the consolidated financial statements. The data for determining the KPI was generally collected directly and immediately without an allocation key or quota calculation from financial accounting with the aid of data deductions and evaluations. The existing leasing tool was used to determine the IFRS 16 acquisition values. The numerator of the CapEx KPI results from the analysis of the assets or processes associated with the amounts recorded in the denominator in regards to their taxonomy eligibility or taxonomy alignment. Based on the additions to property, plant and equipment and intangible assets, an analysis was carried out in regards to taxonomy eligibility and alignment as well as a comparison with Annex I (Significant contribution to climate change mitigation) and Annex II (Significant contribution to climate change adaptation) of the Delegated Regulation (EU) 2021/2139 and Annexes I to IV (Significant contribution to the remaining four environmental objectives) of the Delegated Regulation (EU) 2023/2486.

As taxonomy-eligible investments, new leasing contracts for buildings were recognised under activity "7.7 Acquisition and ownership of buildings" from capitalised right-of-use assets in the amount of € 23,706 thousand. In addition, company cars newly leased in the financial year were recognized under activity "6.5 Transport by motorbikes, passenger cars and light commercial vehicles" as taxonomy-eligible, not taxonomy-aligned investments in the amount of € 1,837 thousand from capitalised right-of-use assets. Furthermore, taxonomy-eligible investments were made in IT equipment in the financial year, which fall under activity "8.1 Data processing, hosting and related activities" as additions to property, plant and equipment in accordance with IAS 16 in the amount of € 1,780 thousand. These are not reported as taxonomy-aligned, as the necessary independent verification of the 106 EU best practices for data centres by a third party was not carried out. Also listed as taxonomy-eligible but not taxonomy-aligned investments are capitalised research and development costs in the amount of € 650 thousand under activity "4.12 Storage of hydrogen", as there was insufficient evidence to fulfill the DNSH criteria.

The technical screening criteria that determine if an economic activity contributes substantially to an environmental objective and if it does not significantly harm (DNSH) one of the other environmental objectives have been applied for all taxonomy-eligible activities, based on either the technical characteristics of individual assets or national legislation. This screening also involved a detailed climate risk analysis.

The taxonomy-aligned CapEx made in the past financial year result, among other things, from capitalised right-of-use assets in the amount of € 252 thousand and relate to passenger cars under activity "6.5 Transport by motorbikes, passenger cars and light commercial vehicles". The vehicles disclosed as taxonomy-aligned meet the threshold for carbon emissions of less than 50 g of CO<sub>2</sub>/km, the requirements of the Euro VI emission norm for light commercial vehicles, and the tire label requirements concerning rolling noise and rolling resistance coefficient. The technical assessment criteria are thus considered as fulfilled. Furthermore, taxonomy-aligned CapEx in the amount of € 506 thousand result from additions to property, plant and equipment in accordance with IAS 16 and concern photovoltaic systems under the activity "7.6 Installation, maintenance and repair of renewable energy technologies". The assessment of the technical screening criteria is based on product specifications as disclosed in the invoices of installers.



The capitalised right-of-use asset for the newly constructed warehouse at our Laichingen site is disclosed as taxonomy-eligible but not as a taxonomy-aligned CapEx under the activity "7.7 Acquisition and ownership of buildings". To this end, all technical screening criteria related to primary energy demand, air tightness, thermal integrity and global warming potential (GWP) have been met, but no evidence could be provided for the efficient operation of the heating, ventilation and air-conditioning systems through energy performance monitoring and assessment, as neither a building automation and control system nor an energy performance contract are in place for the building.

This reporting period saw no major changes compared to the previous period in taxonomy-aligned CapEx, as these are still composed of the same activities under "6.5 Transport by motorbikes, passenger cars and light commercial vehicles" and "7.6. Installation, maintenance and repair of renewable energy technologies" and as their amounts are similar to the previous year's levels. For taxonomy-eligible investments, only new metrics were reported under activity "8.1 Data processing, hosting and related activities" and "4.12 Storage of hydrogen", while the amounts in the remaining two activities did not show any significant changes.

For the CapEx KPI, the scope of taxonomy eligibility and alignment per environmental objective is as follows:

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	0.4%	15.3%
Climate Change Adaptation (CCA)	--- %	--- %
Water and Marine Resources (WTR)	--- %	--- %
Circular Economy (CE)	--- %	--- %
Pollution Prevention and Control (PPC)	--- %	--- %
Biodiversity and Ecosystems (BIO)	--- %	--- %

Taxonomy-eligible OpEx is mainly based on building maintenance costs under activity "7.7 Acquisition and ownership of buildings", which are however not disclosed as taxonomy-aligned. In addition, compared to the previous period, new figures are reported as taxonomy-eligible but not taxonomy-aligned OpEx under activity "4.12 Storage of hydrogen". No major changes occurred during the reporting period compared to the previous period, as the taxonomy-eligible operating expenses are still mainly made up of the activity "7.7 Acquisition and ownership of buildings", which only changed slightly in terms of amount compared to the previous year.

The total operating expenses (denominator of the OpEx KPI) include direct, non-capitalised costs relating to research and development, building renovation measures, short-term leasing, maintenance and repair, as well as expenses that are necessary to ensure the continued and effective functioning of the taxonomy-eligible assets.

The amounts used for calculating taxonomy-eligible or taxonomy-aligned operating expenses are based on the figures reported in the consolidated financial statements.

For the OpEx KPI, the scope of taxonomy eligibility and alignment per environmental objective is as follows:

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	0.0%	14.1%
Climate Change Adaptation (CCA)	--- %	--- %
Water and Marine Resources (WTR)	--- %	--- %
Circular Economy (CE)	--- %	--- %
Pollution Prevention and Control (PPC)	--- %	--- %
Biodiversity and Ecosystems (BIO)	--- %	--- %

Furthermore, compliance with the minimum safeguards according to the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, ILO Core Labour Standards, and the Universal Declaration of Human Rights was assessed in relation to the individual economic activities. The requirements of the respective frameworks were analysed and compared against internal documents, including the codes of conduct for the company and for suppliers, the work instructions, and guidelines. Risk analyses were performed in relation to minimum safeguards topics at a Group level and corresponding measures were identified based on them.

The following KPIs are applicable for the financial year:

## EU Taxonomy 2023

Turnover																			
Financial year 2023				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		t €	%	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	–%	–%	–%	–%	–%	–%								0.0%		
Of which enabling		0	0.0%	–%	–%	–%	–%	–%	–%								0.0%	E	
Of which transitional		0	0.0%	–%													0.0%		T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)										
Turnover of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.0%	–%	–%	–%	–%	–%	–%								0.0%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0	0.0%	–%	–%	–%	–%	–%	–%								0.0%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Turnover of Taxonomy non-eligible activities		1,846,648	100.0%																
Total		1,846,648	100.0%																

- (a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate Change Mitigation: CCM
  - Climate Change Adaptation: CCA
  - Water and Marine Resources: WTR
  - Circular Economy: CE
  - Pollution Prevention and Control: PPC
  - Biodiversity and Ecosystems: BIO
- (b) Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.  
 N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.  
 N/EL — Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
- (c) EL — Taxonomy-eligible activity for the relevant objective.  
 N/EL — Taxonomy-non-eligible activity for the relevant objective.

CAPEX

Financial year 2023	Substantial contribution criteria									DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)					
	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					Y/N	Y/N	Y/N	Y/N	Y/N
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																								
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																								
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	119	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%							
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	133	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y								T
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	506	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.6%						E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		759	0.4%	100.0%	–%	–%	–%	–%	–%	Y	Y	Y	Y	Y	Y	Y	0.8%							
Of which enabling		506	0.3%	100.0%	–%	–%	–%	–%	–%	Y	Y	Y	Y	Y	Y	Y	0.6%						E	
Of which transitional		133	0.1%	100.0%						Y	Y	Y	Y	Y	Y	Y	0.2%							T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																								
				EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)															
Storage of hydrogen	CCM 4.12.	650	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%							
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	1,837	1.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3%							
Acquisition and ownership of buildings	CCM 7.7.	23,706	12.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.5%							
Data processing, hosting and related activities	CCM 8.1	1,781	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%							
CapEx of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		27,973	14.9%	100.0%	–%	–%	–%	–%	–%								11.8%							
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		28,732	15.3%	100.0%	–%	–%	–%	–%	–%								12.6%							
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																								
CapEx of Taxonomy non-eligible activities		158,728	84.7%																					
Total		187,460	100.0%																					

- (a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate Change Mitigation: CCM
  - Climate Change Adaptation: CCA
  - Water and Marine Resources: WTR
  - Circular Economy: CE
  - Pollution Prevention and Control: PPC
  - Biodiversity and Ecosystems: BIO
- (b) Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.  
 N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.  
 N/EL — Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
- (c) EL — Taxonomy-eligible activity for the relevant objective.  
 N/EL — Taxonomy-non-eligible activity for the relevant objective.

OPEX

Financial year 2023	Substantial contribution criteria									DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Economic Activities (1)	t €	%	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0.0%	–%	–%	–%	–%	–%	–%	–%								0.0%		
Of which enabling	0	0.0%	–%	–%	–%	–%	–%	–%	–%								0.0%	E	
Of which transitional	0	0.0%	–%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)										
Storage of hydrogen	CCM 4.12.	490	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Acquisition and ownership of buildings	CCM 7.7.	5,561	12.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.1%		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6,051	14.1%	100.0%	–%	–%	–%	–%	–%								10.1%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		6,051	14.1%	100.0%	–%	–%	–%	–%	–%								10.1%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
OpEx of Taxonomy non-eligible activities		36,907	85.9%																
Total		42,958	100.0%																

- (a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate Change Mitigation: CCM
  - Climate Change Adaptation: CCA
  - Water and Marine Resources: WTR
  - Circular Economy: CE
  - Pollution Prevention and Control: PPC
  - Biodiversity and Ecosystems: BIO
- (b) Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.  
 N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.  
 N/EL — Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
- (c) EL — Taxonomy-eligible activity for the relevant objective.  
 N/EL — Taxonomy-non-eligible activity for the relevant objective.

## 2 Business Integrity

### Compliance and Anti-corruption

#### Management Approach

**HENSOLDT's products are, by their technical and physical nature, always given a degree of tolerance, minuscule though as it may be. When it comes to compliance and anti-corruption, however, HENSOLDT takes an entirely different view. We apply a very strict tolerance policy for these matters and combine it with established guidelines and management systems.**

Our business is based on the four principles of cooperation, excellence, responsibility, and innovation. Backed by the unshakable foundation of a comprehensive ethics and compliance programme, these principles represent the basis of all our business activities. They are a core element of our corporate culture, protecting our senior management and employees, our company, its reputation, and our customers. The aim is to ensure legally and ethically correct action at all levels of our business. As a responsible business, we strive to implement measures and processes that prevent breaches of the law. In 2023, the HENSOLDT compliance programme still focuses on the same six core areas.

#### The HENSOLDT Compliance Programme

##### 1. *Anti-corruption*

In HENSOLDT's assessment, there remains a high risk of corruption in the defence segment, which receives particular public scrutiny. HENSOLDT rejects all forms of corruption through its strict tolerance policy.

HENSOLDT has a special system for corruption risks resulting from dealings with commercial agents and third parties, to assess the risk of possible non-compliance with anti-corruption specifications and guidelines - especially in the case of engagements with third parties - with due care and practical orientation. This is done in accordance with HENSOLDT's anti-corruption guidelines and through internal, detailed audits, with the aim of minimising corruption risks at all times.

Deals that are irreconcilable with our values are declined, even where this means forgoing (new) business opportunities. Extremely strict prerequisites apply to contingency fee agreements. They are strictly controlled and avoided wherever possible. The same applies to every form of compensation agreement. All employees must also adhere to identical, clearly defined rules regarding gifts and invitations.

The Partner Review Directive (PRD) forms the basis for all dealings with business partners and contains special rules of conduct and duties of care with respect to the specific regional and transaction-related risks of a case. Before a planned transaction, a risk assessment must be carried out as part of the partner review process. For partners with higher risks, the compliance department must be involved in the risk assessment. The relevant business units, consulting even executive management if necessary, then decide if a transaction will be pursued or not. To ensure adherence with all compliance requirements and regulations, including the PRD, HENSOLDT has expanded its internal compliance team substantially in recent years and provided it with the necessary resources.

##### 2. *Data protection*

At HENSOLDT, data protection means more than just complying with legal requirements. It consists of morally impeccable and extremely mindful dealings with employee and business partner data. Our own, globally valid Data Protection Directive, which complies with the EU General Data Protection Regulation (GDPR), requires all employees to protect data and information systems against attacks. Employees are supported in this by our own data protection officers as the main points of contact for all issues relating to IT and data protection.

The data protection processes currently in place were also analysed and enhanced in 2023; read more about this in chapter "Digitalisation, Data, and Security".



### **3. Export Compliance**

HENSOLDT's international business is subject to numerous sales and export restrictions and controls. To comply with governmental approval requirements, Export Compliance issues the generally applicable regulations on Group Level and monitors the process focusing on export controls and the risks of economic sanctions. Export Compliance forwards individual applications for export permits to the relevant authorities. Compliance with all necessary directives and procedures, including an anti-boycott guideline ensures a successful export business within the parameters of the respectively valid rules.

### **4. Antitrust and Competition Law**

HENSOLDT is subject to a wide variety of competition and antitrust laws that protect diverse and free competition and are overseen by national and supranational authorities. Compliance with these laws is the task and duty of all HENSOLDT employees and forms the basis for every business transaction. The compliance and legal units have published mandatory requirements and guidelines on this topic. They advise and train all employees continuously so that compliance with all antitrust and competition regulations is ensured.

### **5. Involvement of our Supply Chain**

HENSOLDT also expects and actively demands all business partners to comply with the global HENSOLDT standards. HENSOLDT has continued to develop its strategy to prevent or minimise human rights and environmental risks along the supply chain in line with the requirements of The Act on Corporate Due Diligence Obligations in Supply Chains. The Supplier Code of Conduct serves as the foundation for this; read more about it in chapter 3 "Responsible Sourcing".

### **6. Focus on the Human Element**

HENSOLDT consistently places the focus of all its compliance activities on its employees, as comprehensive integrity can only be achieved when each individual does their part. The aim is to ensure the long-term success of the company, in line with the motto "Only honest business is sustainable business."

## **Our Foundation: the HENSOLDT Code of Conduct**

**The same Code of Conduct applies to all employees of our group of companies, regardless of their location, position in the enterprise, or division. It sets out their general rights and obligations and defines mandatory basic rules for internal cooperation. As one of its main tenets, the HENSOLDT Code of Conduct calls on all employees to communicate openly. In addition to reporting potentially suspicious activities directly to their supervisors, potentially suspicious activities can also be reported 24 hours a day via HENSOLDT's OpenLine platform, even anonymously if desired. The results of these tips are reported to the Management Board and the Executive Committee.**

All employees regularly receive information and mandatory training as to the content and requirements of the Code of Conduct and other compliance regulations. The Compliance department carries out regular training sessions for this, both face to face and virtually.

As in the previous year, the "Partner Review Directive" was a key topic of compliance training. Compliance's general communication platform, the so-called Q&A Sessions, which were introduced in 2021, were expanded further during the reporting period. Numerous training sessions were held on relevant topics, for example on export, compliance, competition and antitrust law or gifts and invitations.

Alongside questions about the Partner Review process, the biweekly Q&A Sessions were also used to present and discuss the various compliance-related topics (e.g., Code of Conduct, anti-corruption, or export compliance) in terms of their practical relevance. The employees' sense of personal responsibility is boosted as a result and they gain more awareness for the detection of risk. Executives are involved in all facets of our compliance programme and are called on to actively communicate the significance of the programme to their team members. This also includes ongoing developments of the compliance programme, which in 2023 included the introduction of the new PRD Sharepoint solution, a tool used to digitise HENSOLDT's due diligence process.

## Human Rights

### Management Approach

**We place a high priority on complying with international obligations to protect human rights. As a generally applicable policy, the Code of Conduct asserts our commitment to upholding human rights, both within and outside the company. The values and practices to which HENSOLDT is committed take into account internationally recognised standards as set out in charters, declarations, and guidelines – including the Universal Declaration of Human Rights, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the OECD Guidelines for Multinational Enterprises, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work as well as The Act on Corporate Due Diligence Obligations in Supply Chains. Since 2021, we have also been a signatory of the UN Global Compact and are thus fully committed to the principles of respecting and upholding human rights.**

### The HENSOLDT Human Rights Policy

In keeping with the significance of this topic, HENSOLDT developed a dedicated Human Rights Policy in the year 2021. Responsibilities and processes are set out and organised in a Human Rights Policy. The Human Rights Policy is supplemented by HENSOLDT's Policy Statement on the Respect for Human Rights.<sup>3</sup>

The Human Rights Policy and the Policy Statement on the Respect for Human Rights corroborate the company's commitment to respecting human rights as it carries out its business activities, and offer a foundation for monitoring and safeguarding its high standards on this matter. Furthermore, both policies contain specifications for monitoring, due diligence, and training as well as mechanisms for communication and complaints aiming to support and protect human rights, also along the supply chain and for business partners. It incorporates all relevant areas of HENSOLDT, in the scope of whose responsibilities and activities possible risks of human rights violations exist and/or should be considered or evaluated, including for example HR (in relation to employees), Procurement (suppliers), Compliance (business partners/opportunities) as well as the ESG-team and the Human Rights Officer (General Counsel).

A Human Rights Officer, supported by ESG, Procurement, HR, and Compliance monitors the implementation of the processes and refines the corresponding guidelines and policies on an ongoing basis. In cases involving high risks, the Human Rights Officer also acts as an advisor and is involved in decision-making processes. The Human Rights Officer reports to the Management Board of HENSOLDT AG on a regular basis, at least once a year.

The HENSOLDT OpenLine as a central complaints system is open to all reporters, both internally or externally, including along the supply chain, to report actual or potential violations of legal or internal rules and regulations, including with regard to human rights and environmental risks and breaches of duty.<sup>4</sup>

It is our aspiration that our business partners also take into account the international standards on human rights. This objective is reflected in our "Supplier Code of Conduct", in the purchasing conditions and our due diligence activities. "IntegrityNext", a cloud-based digital platform for reviewing and managing suppliers, is already in use; read more about this in chapter 3 "Responsible Sourcing".

## Digitalisation, Data, and Security

### Management Approach

**As part of numerous digitalisation initiatives, the role that data and IT infrastructure have at HENSOLDT is growing increasingly large, and in some areas they even have a decisive role. Data leaks are prevented, and the risk of attacks are minimised through our global governance of digitalisation and IT, as well as through a robust IT architecture. Sustainability is a core element of the digitalisation strategy and contributes considerably to the minimisation of HENSOLDT's environmental footprint.**

Within a framework of legal obligations, national and international guidelines, and conventions, data security is given top priority. A comprehensive data protection management approach contributes to the continuous monitoring and documentation of compliance with the defined data protection principles.

<sup>3</sup> The HENSOLDT Human Rights Policy and the Policy Statement on the Respect for Human Rights can be found at [www.hensoldt.net](http://www.hensoldt.net).

<sup>4</sup> HENSOLDT's OpenLine is available at: [www.hensoldt.net](http://www.hensoldt.net).

## Significant Measures and Results of Data Protection Management in 2023

- Organisational structure for data protection: In order to fulfill the objectives of the now established data protection organization, further data protection processes were updated in the management processes to meet the expanded documentation and verification requirements.
- Data protection at global subsidiaries: The Group Data Protection Directive is continuously compared with global data protection laws and requirements and expanded where necessary. The internal review of the organisational structure for data protection in the context of a GDPR-compliant data protection management revealed that all relevant roles were able to demonstrate their functionality. These roles are held by local points of contact (e.g., data protection officers in foreign countries or the Data Protection Coordinator) who successfully support the Group Data Protection Officer. Record of processing activities: new and existing processes were updated and reviewed in a GDPR-compliant manner using the methods of the management system. Moreover, new processes were reported and evaluated.
- 2024 Data Protection Planning: The company continuously drives and executes the ongoing development of the management system for data protection based on the risk-based approach that it uses. The employees' awareness of the responsible handling of data and the new challenges of data-based business models that come with advancing digitalization should be further increased.
- HENSOLDT's data protection guidelines and initiatives are aligned with legal specifications and the EU's General Data Protection Regulation. They provide the foundation for the high standard of global data protection at HENSOLDT.

## New Business Models – New Risks

**Through advancing digitalisation and networking, new business models and digitalisation concepts are constantly emerging at HENSOLDT. Data enables new products, product applications, and innovative services as well as changed models of working. Remote maintenance and services are increasingly becoming the rule, Industry 4.0 is transforming manufacturing, artificial intelligence is now a core element of numerous products, and remote working has now become the norm for many employees. At the same time, opportunities for enhancing efficiency and improving the use of resources are opening up along the entire value creation and production chain.**

To minimize the resulting potential risk, the Chief Information Security Officer (CISO) and their team consequently advance the Information Security Management System (ISMS). Corporate standards are based on best practices and are primarily, however not exclusively, based on globally recognised standards such as those of the International Organisation for Standardisation (ISO) and the National Institute of Standards and Technology (NIST). Any further development has always been linked to a risk-based approach aiming at keeping an optimum security level and meeting all regulatory requirements and internal integrity standards. With oversight from the Management Board, processes and systems have been further developed and implemented for the purpose of ensuring secure and efficient data processing both today and in future.

Training our employees is an important part of such information security process. For this reason, HENSOLDT offers regular training sessions on information security and data protection. Such trainings cover a range of topics, including awareness of social engineering, cyber-crime and data protection. In addition, regular phishing tests are carried out to ensure that employees are particularly aware of the danger of such attacks and are able to reliably recognise malicious attacks.

In 2023, the activities to continuously increase cybersecurity focussed on the further improvement of the protection of HENSOLDT at the interface to the Internet. This point of potential attacks is continuously monitored, identified risks are evaluated and necessary measures have been taken. A process for monitoring this attack vector has been put in place.

All initiatives are aimed at ensuring a data security at the high level of international standards and to prevent and deter attacks.

## Digitalisation and Sustainability

Digital technologies present new opportunities for sustainable living and business. Under the leadership of the Chief Information Officer, HENSOLDT is constantly working to promote digital sustainability initiatives. Remote working, for instance, is now firmly integrated into our day-to-day enterprise operations. The option of digitally signing documents to reduce paper consumption has now been firmly established. New solutions are continuously developed for remote maintenance and remote customer service as well as for customer education services and presentations. Furthermore, existing IT infrastructure is checked for optimisation opportunities and energy-efficient technologies will be used to establish new IT infrastructures.

Here are some other highlights:

**“#oneIMnow”**: the strategic pillar “#oneDigitalESGnow” within the IT strategy “#oneIMnow” has firmly anchored ESG in the company-wide digitisation initiatives. The digitalisation of business processes contributes both to minimising HENSOLDT’s ecological footprint and to increasing employee satisfaction and thus to greater staff efficiency and productivity. Focussing on secure processes and a global IT architecture that enables seamless cooperation in highly sensitive areas supports all employees in conserving resources and processing complex projects without risk.

**“HENSOLDT Enterprise Cloud”**: Many changes have been made to the infrastructure in recent months to ensure a sustainable and healthy growth of the company. Besides replacing the pure hardware in our data centres, a new backup concept, central monitoring and other network components have been established. To this end, HENSOLDT engaged the industry leader in HCI (hyper-converged infrastructure) – Nutanix. Switching from a traditional data centre to an HCI could unleash an efficiency potential in terms of energy consumption and carbon emissions of 26.74% per year.

**“Cyber Security Awareness”**: To keep employees continually aware of issues around IT system security, HENSOLDT has rolled out a cybersecurity awareness campaign. The security plans were reinforced significantly, and cybersecurity awareness raised at all sites globally after French subsidiary Nexeya became the target of a serious cyberattack on its infrastructure in summer 2022.

**“AI”**: In addition to reducing its ecological footprint, HENSOLDT also places a high priority on the responsible use of core technologies such as artificial intelligence (AI). AI technologies are in use at HENSOLDT across all divisions. HENSOLDT ensures that ethical principles are complied with in both the development and the application of AI. The Digital Office, which is anchored within the IT organisation, takes a pioneering role when it comes to AI.

**“VR”**: HENSOLDT uses the opportunities offered by digitalisation for training and continuing education, too. At Customer Service in Immenstaad, Germany, for example, customer training is being supported with virtual reality (VR). It lets participants learn maintenance processes virtually before practising them in real life afterwards. In addition, some HENSOLDT staff is already using VR to hold visits to global locations and to stream the things they have seen, in real time to colleagues who cannot participate on site.

Secure and protected information technology in conjunction with responsible employee conduct form the basis for a HENSOLDT future that is both digital and sustainable. The principle of “keeping data secure” creates scope for added value – to the benefit of our employees, our customers, the company, and the environment.

The combination of secure and modern information technology and the responsible conduct of all employees creates the foundation for a digital and sustainable future at HENSOLDT.

# 3 Responsible Sourcing

## Management Approach

**HENSOLDT also expects and actively demands of all its business partners that they comply with the global standards that we have adopted with respect to issues such as human rights and labour law. To this end, the guidelines for the purchasing terms and conditions (Supplier Code of Conduct) contain the international regulations and conventions of the OECD and the International Labour Organization (ILO), such as the prohibition of forced labour, child labour, and discrimination. They are complemented by national provisions, such as the United Kingdom Modern Slavery Act 2015.<sup>5</sup> Additional defined, strict requirements apply in the areas of occupational safety, health, environmental protection, and hazardous substances.**

The Supplier Code of Conduct is a core element of supply chain management and acts as the basis for supplier evaluation. We screen suppliers on ESG aspects and support their initiatives to adhere to the guideline. No cases of exclusion of suppliers have become known during the reporting period.

### ***Our Foundation: the HENSOLDT Supplier Code of Conduct***

The Supplier Code of Conduct, which was revised in 2021, contains the applicable laws and regulations of the countries in which the supplier in question operates, handles goods, trades and/or provides services. Compliance with this code of conduct is mandatory for a business relationship with HENSOLDT. Moreover, the code of conduct sets out HENSOLDT's expectations of its suppliers and entire supply chain while recognising differences in cultures and legal requirements. The content of the Supplier Code of Conduct is based on the supplier code of conduct of the International Forum on Business Ethical Conduct (IFBEC) for the Aerospace and Defence Industry. Furthermore, the code is integrated into all orders and contracts. In 2022, the Supplier Code of Conduct was reviewed, updated, and published digitally in accordance with the requirements of Germany's Supply Chain Due Diligence Act (LkSG).

### ***Supplier Self-Assessment***

In addition to the obligation to comply with the HENSOLDT Supplier Code of Conduct, all relevant suppliers are required to provide an extensive self-assessment.

HENSOLDT uses the cloud-based supplier platform IntegrityNext to to screen for adverse media and to obtain the self-assessments and certificates.

### ***Results of the 2023 Supplier Qualification Process and Risk Assessment***

The 2023 supplier qualification process and the ESG risk assessment based on it yielded the following results.

A cloud-based platform for supplier monitoring and risk analysis has been developed for HENSOLDT through "IntegrityNext". The platform includes supplier information on issues relating to corporate social responsibility. This not only lets the growing requirements that are placed on suppliers be reviewed and implemented in a timely manner, but also simultaneously provides relief for Procurement in its communication with suppliers.

IntegrityNext boasts extensive experience in the field of ESG analysis and actively supports customers and suppliers alike in the implementation and with webinar offers.

These are the results:

- The number of suppliers on the platform was continuously increased in 2023.
- As in 2022, the HENSOLDT Group's supplier portfolio and sourcing countries were again surveyed and analysed.
- More than 1,300 suppliers have signed up and are in direct exchange with HENSOLDT. Automated media monitoring on the platform regularly assesses a further 2,100 suppliers.
- On an ongoing basis, new suppliers are simultaneously instructed to register and conduct self-assessments, based on an abstract risk assessment considering the country of procurement and the groups of products.
- The data is collected in a HENSOLDT Group supplier database and used for risk analysis.

<sup>5</sup> The Modern Slavery Act Statement of HENSOLDT UK can be found at [www.hensoldt.net](http://www.hensoldt.net).



- Since 2023, the results of analyses, risk assessments and measures have been regularly discussed and reported by a committee consisting of various departments.

## 4 Human Potential

### Employment

**HENSOLDT is headquartered in Taufkirchen, an important German centre of defence-related innovation not far from Munich. HENSOLDT is present around the world – in Europe, Asia, North and South America, as well as in Australia and Africa.**

HENSOLDT can strategically serve its growing customer base from more than 40 locations worldwide. Outside Germany, HENSOLDT has production sites mainly in France, South Africa, and the United Kingdom.

As of December 31, 2023, the company employed a total of 6,907 people. 74 % of these employees work at sites in Germany, followed by approx. 12 % in South Africa, approx. 10 % in France, and approx. 2 % in the UK.<sup>6</sup>

The employees' age distribution is very balanced and as follows: Approximately 30 % of employees are under 35 years and approximately 25 % are between 35 and 44 years. 23 % are aged between 45 and 54 years, and 23 % are 55 or older.<sup>7</sup>

The facts and figures in the following sections on "Training, Continuing Education, and Talent Promotion" and on "Diversity and Equal Opportunities" relate to all consolidated companies incl. MaHyTec S.A.S with the exception of the sales offices and Australia. (For this and other KPIs, see table in chapter 9.2 "GRI Performance Data".)

HENSOLDT emphatically supports freedom of association and the right to collective bargaining: we expressly respect the right of our employees to join an union or start one themselves. Furthermore, HENSOLDT fosters dialogue with and engagement in such unions. Our objective is to take into account, as far as legally possible, applicable collective-bargaining agreements as the basis for our working conditions and contracts. This also encompasses various bonus payments guaranteed by the company and supports pension programmes that we provide to all employees globally.

In 2023, employees who invested in shares under the "Echo" employee share option programme and sold them were able to benefit from the increased price of HENSOLDT shares. Although some employees have already sold their shares, a large proportion of the employees still hold the acquired shares. This underscores the employees' trust in HENSOLDT. The programme is currently offered in Germany, France, the UK, and South Africa and is valid for all participating companies.

### Training, Continuing Education and Talent Promotion

#### Management Approach

**The ongoing training, development, and education of employees and the targeted promotion of talents are a dynamic part of our enterprise strategy and philosophy. We ensure this with internal development programmes and the HENSOLDT Academy, which offers a modern, technologically sophisticated portfolio tailored to the purpose of continuing education in the company's departments.**

HENSOLDT is striving to master present and future challenges even better. Its emphasis is on recruiting talent in an ever tighter market, new work and flexible working time models, as well as new requirements for employees in general. To this end, HENSOLDT is developing a learning culture based on personal responsibility and self-direction. It is consistently expanding the accessibility and flexibility of the learning programmes, for example with needs-based e-learning and "blended-learning" formats (in-person and e-learning).

As a part of our strategic human resources planning and development, continuing education and talent promotion at HENSOLDT play a major role in fostering employee loyalty, increasing their satisfaction and performance, and realising hidden potential. This increases, at the same time, the attractiveness of HENSOLDT on the labour market.

<sup>6</sup> Scope: HENSOLDT Group incl. trainees, working students, interns, mini-jobbers and employees in the passive phase of partial retirement.

<sup>7</sup> All figures are as at reporting date of December 31, 2023, and apply to: HENSOLDT AG, including all consolidated companies.

## Continuous Development in Every Stage of Life and Work

**Our employees are our most important capital and are the focus of our human resources policy which centres on their life phases and their personal development. In line with this understanding, we offer our employees a wide range of personal and professional development formats through the HENSOLDT Academy. Training sessions on integrity, diversity, and integration as well as health further strengthen the corporate culture.**

Continuous enhancements increase the quality and success of the training on an ongoing basis. For existing educational offerings, participants are asked to give feedback, which is analysed and used to adjust the training and education formats. Internal experts are also involved in the development of new educational offerings to tailor the formats to the needs of employees. New, digital learning formats such as podcasts and e-books let employees take their self-directed learning to another level. At the same time, the increasingly digital and international nature of the training adds further momentum to the learning portfolio's global rollout.

In Germany alone, 4,464 employees took part in various training and development formats in the form of face-to-face events, virtual live training via Microsoft Teams or e-learning last year. More than 72,635 training hours were completed.

## Finding and Developing Talent

**To arouse talented people's interest in HENSOLDT, and increase the company's appeal as an employer, HENSOLDT further broadened its partnerships with universities, research organisations, and other higher-education institutions in 2023. These partnerships give students special coaching in development programmes concurrently with their studies, the ability to familiarise themselves with different sites, and become closely integrated with existing teams. All talent relationship management (TRM) activities have been pooled within the new myVeeta TRM platform since 2021. The company plans to continue all existing partnerships with universities, research organisations, and other higher-education institutions in 2024 as well.**

On their subsequent path to executive management at HENSOLDT, talented employees, like all other managers, also have the opportunity to take part in the internal cross-hierarchical and cross-functional iLEAD@HENSOLDT leadership programme. This programme enables agile, constructive communities of managers to emerge.

## Summary of HENSOLDT's Development Programmes

**We respond to demographic change, technological and societal developments, and sociological trends with a human resources policy that is focused on life phases. Tailor-made solutions for all career and life phases, from students to managers, include all employees with training and development programmes that suit them. Because at HENSOLDT, satisfied, healthy, committed, and motivated employees form the capital for our future. The focus is on the following programmes:**

### ***Students Pioneer Club***

This development programme, running concurrently with academic studies, integrates students into existing HENSOLDT teams and provides coaching and training to bind talented people to the enterprise early on.

### ***HENSOLDT Connect***

This network connects dedicated employees of all ages and in all divisions with each other and with the directors and other interest groups. This communication fosters an innovation culture in which the participants develop their potential through various projects and coaching.

### ***Development Centre***

Employees from different departments can reflect on and further develop their individual skills in special workshops. The focus here is on developing potential that aligns with the company's strategy.

### ***180° Feedback***

This online tool sends team leaders direct, anonymous feedback from their team. It lets strengths and potential be identified and supported at an early stage. The feedback tool can be used by all teams that have more than five employees.

## **Customized Workshops**

Workshops that are customized to the requirements of the relevant HENSOLDT teams offer an opportunity for further development on special topics, such as collaboration, communication and reflection, vision development, leadership, and more.

## **Skills<sup>2</sup>Manage**

This management development programme equips new executives with expertise in management and processes in key areas such as finance, business and strategy, procurement, quality, legal basics, compliance, data protection, HR and more. The individual modules are coordinated by internal coaches who not only share their expertise with the managers, but also engage in a dialogue with them. This means that knowledge within the company is passed on and, moreover, the company develops and reinforces its internal networks.

## **Top Talent Development**

Our Top Talent programme ensures the development and promotion of qualified and motivated employees. This programme is made up of individually designed training courses, imparts practical experience and offers networking opportunities, which are tailored to the respective tasks and responsibilities of the participants. In addition, it includes a coaching process and executive mentoring. In 2023, 25 top talents from all functional and specialist areas were identified.

## **Corporate Culture**

**A key role for the health and competitiveness of HENSOLDT plays a strong corporate culture. That is the reason why HENSOLDT started a cultural transformation a few years ago.**

Since 2023, the focus has been on "NEXT LEADERSHIP PRINCIPLES." These were developed as a result of the dialogue with employees as part of Global Survey Personnel Interviews Workshops and are being implemented successively in the company.

# **Diversity and Equal Opportunities**

## **Management Approach**

**We see diversity management as a wide-ranging duty that is relevant to the company's strategy. We establish structures and practices that create genuinely equal opportunities, with an aim of maximizing the benefits of diversity regardless of gender, nationality, sexual orientation, religion, or culture. A key focus of ours is on promoting women managers, inclusion, and international diversity. In an integrative working environment, uniqueness enhances creativity, inspiration, and the desire to excel. In addition, HENSOLDT is a member of the United Nations Global Compact and the "Initiative CHEFSACHE" network.**

For its strategic objectives of ensuring competitive working conditions and promoting true diversity and equal opportunity in all its aspects, HENSOLDT has defined three focus areas:

- Creating a work culture that appreciates each individual employee and consciously promotes diversity. With managers acting as role models, this culture is conveyed to all areas of the company through a variety of initiatives. An inclusion index was established for the first time as part of the Leadership Survey.
- The establishment of a talent management system that provides for inviting at least one comparably qualified woman to job interviews, especially for typically male dominated roles, as part of succession planning. In addition, all employees are encouraged to attend diversity trainings. For managers in the Leadership Team, selected diversity trainings are mandatory.
- Increasing the public perception of HENSOLDT as a great place to work that both appreciates diversity and promotes modern, flexible work models such as part-time work, remote working, and an inclusive working environment: talented women in particular are addressed through targeted image campaigns and participation in joint projects with schools and universities, as well as through private-sector initiatives.

The “Unconscious Bias Learning Journey” contains various elements that illustrate the influence of unconscious prejudices on cooperation, decision-making, objectives and success. It also reveals, for example, the competitive advantages that arise from diversity. Practical exercises and examples from other companies add depth to the lessons learned. The programme was expanded to further manager and employee categories in 2023, rolled out internationally, and made accessible to all employees through an e-learning programme.

Combined with the HENSOLDT Ability Journey for stronger inclusion in the workplace and with “Initiative CHEFSACHE”, any bias that may be held by managers and among employees will be reduced further in the future and the path cleared for a more inclusive cooperation.

With the strengthening of awareness for a diverse and inclusive corporate culture, along with the fostering of equal opportunities for all employees, we aim to be a role model of an integrative European company.

The success of certain measures is regularly reviewed on the basis of defined indicators for an increase in the proportion of women in management positions and adjusted, if necessary. In line with the global target of “increasing the proportion of women in leadership positions in the Leadership Team to 30 percent by 2026”, this figure, as well as the proportion of women in all management positions, is regularly measured globally.

As stated in chapter 1 “Sustainability Management”, all members of the Management Board receive multi-year performance-based remuneration (“Long-Term Incentive Components”; see also the Remuneration Report of HENSOLDT AG) insofar as they achieve specified target values. The Diversity objective being one of ESG’s two objectives is to achieve certain quotas for women at different levels of the company.

**Elevate – HENSOLDT’s Diversity & Inclusion Programme**

We launched the Elevate programme in 2020 to bolster the culture of diversity and equal opportunities and especially to increase the share of women in leadership positions. Elevate takes the form of a company-wide community in which all employees can share their ideas and experiences in respect of equal opportunities, diversity, and an inclusive corporate culture.

Numerous initiatives took place around the world as part of the programme in 2023. Mentorings were established, diversity training sessions and regular events in German and English examined topics such as Women in Leadership Positions, Being a Leader, Personal Wholeness, Leading as an Art, Relationship Management and the Value of Diversity. HENSOLDT has participated in a targeted manner in the Women in International Security Conference, which was held in Berlin to present the HENSOLDT portfolio and its full profile to attract more diverse talent. In Paris, HENSOLDT has partnered with the “Elles bougent” association, which promotes scientific studies and encourages young women not only to engage in scientific studies, but also to raise awareness of our industry and the opportunities available. During the Paris Air Show, HENSOLDT welcomed more than 200 young women who had been invited in the context of this initiative. The aim is to inform young women about the wide variety of jobs and career opportunities in aerospace and aviation, to strengthen the attractiveness of these occupations with good career prospects and to promote careers among girls.

At the end of November 2023, another event for students with STEM background (science, technology, engineering and mathematics) was organised together with the Ludwig Bölkow Campus at the company headquarters in Taufkirchen as part of the STEMPower networking event. In South Africa, HENSOLDT highlighted the stories of several notable women in the organisation as part of the “Iron Women” campaign.

**Increasing the Share of Women**

**Women are generally underrepresented in executive positions of the defence industry.**

To achieve the target of increasing the share of women in the Group, there needs to be a change of mindset within the company and a corporate culture that is much stronger about seeing and promoting diversity as added value. We are working on both these tasks continuously. A strategic career development approach is to specifically recruit female leaders for our company and to provide them the opportunity for personal development. New, flexible working models and support for families additionally help in overcoming traditional notions of the roles of men and women.

	Year	%
Percentage of women in the active workforce	2023	23 %
Percentage of women in the Leadership Team*	2023	25 %
Percentage of women in the Executive Committee	2023	25 %
Target share of female employees in the Leadership Team	2024	25 %
Target share of female employees in the Leadership Team	2026	30 %

\* Definition of Leadership Team: entire leadership circle of the HENSOLDT Group (Leadership Team includes selected HENSOLDT managers plus the Executive Committee and Management Board)



# 5 Health, Safety and Environmental Protection

## Management Approach

**It is the task of the management, our managers and our employees to implement and actively practice occupational, health and environmental protection at our locations. Our culture is to protect our employees, the environment and the communities in which we live and work. These core values have a very high importance in our business. In addition, we want to ensure that locations, products and services comply with national, local and internal regulations and standards.**

## Health

**In keeping with the company's motto of "Detect and Protect," the health and safety of our employees at HENSOLDT have traditionally held high priority. Ensuring the well-being of employees in the workplace, reducing accidents and developing a global safety culture are issues that the HSE department is actively advancing with the countries in coordination with the Management Board. Anyone who – like HENSOLDT – deals with protecting other people on a daily basis also naturally plays a central role in the health and safety of their own employees.**

HENSOLDT employees are supported by the company health management in fulfilling their responsibilities in the area of health. The comprehensive offer in the form of lectures and screenings is intended to create incentives to deal with the topic of health.

The offers range from ergonomics in the workplace, flu vaccinations, colorectal cancer prevention, via resuscitation exercises with lifepads, mindfulness-based stress reduction to yoga and breathing exercises for mobilisation, strengthening, stretching and relaxation. Regular exercise is one of the keystones of a healthy lifestyle. With a workplace gym in Ulm, Germany and partnerships with local gyms at other sites, we seek to support our employees efforts to exercise.

In 2023, more workshops were held on the health check conducted in 2022 and the departments at the relevant locations oversaw the implementation of agreed actions, as far as possible. More health checks should take place again at the sites in South Africa, the UK, France and Germany in 2024 to evaluate their effectiveness.

These measures contribute to actively promoting the physical and mental health of all our employees and also to setting standards for those.

## Occupational Safety

**A comprehensive programme for safety in the workplace is in effect, contributing to the well-being of all our employees.**

Safety specialist and the safety officers active in the departments are multipliers for establishing a living security culture in the entire workforce.

A testament for that statement are the low accident figures at HENSOLDT (LTIFR 0.77<sup>8</sup>). Every accident is analysed by safety experts and the causes of such are discussed in the occupational safety committee meetings (ASA) as well as site management meetings to determine measures to prevent these accidents in the future.

Near-miss accidents are registered using an idea management tool, which is available at German sites. The intention behind it is to uncover potential vulnerabilities, fix them, and improve employee safety continuously. Consequently, the aim of this is to ensure that safety is also guaranteed in the future.

---

<sup>8</sup> Lost Time Injury Frequency Rate (LTIFR): number of lost-time injuries (accidents leading to at least one day of absence) x (200,000/ total number of hours worked)

Country	Number of work-related injuries	Fatalities resulting from work-related injuries	Number of reportable work-related ill-health cases	Lost-time injury frequency rate (LTIFR)
Global	97	0	0	0.77
Germany	51	0	0	0.84
UK	1	0	0	0.00
France	39	0	0	1.10
South Africa	6	0	0	0.43

Scope: HENSOLDT, consolidated companies (without sales representative offices and Australia) incl. MaHyTec S.A.S.

Regular visits, internal audits and HSE Awareness Days organised by the HSE department at the individual locations help shaping a real safety culture. We raise the awareness of our employees to the topic of safety at work during regular training courses that focus on dealing with hazardous substances, coordination of third-party companies, behaviour in the event of fires and emergencies.

## Environmental Protection

**Responsible stewardship of the environment is one of our key, core, and undisputed principles. In particular, preventing waste and hazardous substances and saving energy contribute greatly to sustainable business.**

The protection of our environment and natural resources is an integral part of HENSOLDT.

We aim for consistent improvement with respect to environmental impacts, protecting natural resources, product-related environmental aspects, and the overarching sustainability strategy. HENSOLDT's standards in terms of environmental protection, occupational safety and health protection are defined in the "HSE Group Policy" and the HSE policies of the subsidiaries. The sites translate the content of the Group Policy as well as the subsidiaries' targets into local targets as well as specific measures. At HENSOLDT, environment, health protection, and occupational safety are strategically controlled and centrally coordinated on the Group level and implemented operationally by local HSE teams worldwide.

Our sustainability strategy, a HSE policy derived from it and annual HSE targets for the sites are monitored by the HSE programme. It contains responsibilities and time frames for their implementation.

Management assesses the suitability, appropriateness, and effectiveness of the integrated HSE management system at regular intervals, thus ensuring that it is continually refined. Internal and external audits identify strengths as well as potential for improvement that lead, for example, to an enhancement of the HSE programme or to measures to raise awareness among employees.

## Milestones in 2023

To fulfill our aspiration of a conscious and responsible use of resources and energy, thus effectively contributing to the protection of the environment and the planet, a number of projects are underway at individual locations, such as:

- Life cycle assessment of products and reduction of raw material use
- Promoting the use of bicycles by staff members
- Transition of the lighting to energy-saving LEDs
- Extension of the number of charging stations for e-bikes
- Implementation of an energy committee

We regard the protection of our environment as a self-evident obligation to future generations and an act of entrepreneurial reason, without which long-term business would not be possible. In addition to mandatory directives and requirements for all business units and employees, we currently consider the prevention of waste and hazardous substances, for example reduction of paper consumption by using more digital solutions, and the reduction of energy consumption in particular as powerful levers for sustainable, environmentally friendly business activity. A regular working group (energy committee) of all relevant representatives from production, purchasing, facility management and other departments was set up for this purpose.

## 6 Community Relations

### Management Approach: Help where help is needed

**In 2023, HENSOLDT committed itself to supporting those in need. In Germany, HENSOLDT and its staff have raised over € 70 thousand and donated it to various charities, focussing on supporting disadvantaged people and meeting important societal needs. The donations were given to aid organisations for the needy (Tafel), health institutions (Förderkreis für tumor- und leukämiekranke Kinder Ulm e.V., Haven House Children's Hospice UK), including cancer clinics and families with sick children (Bärenfamilien, Lachen helfen e.V.), education (Adalbert-Stifter-Gemeinschaftsschule Ulm), immigration support (Open Verein e.V., "Ukraine - Ehingen hilft" citizen initiative), fire brigade missions (Volunteer fire department in Taufkirchen and Ottobrunn).**

In doing so, HENSOLDT's efforts went beyond the borders of Germany. The company continues to help Ukrainian families who sought refuge in Germany and collected donations for providing bicycles in Africa.

In 2023, the company donated just under € 10 thousand for various sports activities. HENSOLDT particularly not only donated € 5 thousand but also actively promoted the inclusion of disabled people in Taufkirchen, one of the venues of the Special Olympics World Games in Berlin in June 2023. Such an involvement not only advocated inclusion in the workplace as part of their Corporate Social Responsibility (CSR) initiatives, but also contributed to the "HENSOLDT Ability Journey".

Participants were able to contribute individually to the fight against blood cancer when the company participated in annual charity runs such as the Munich B2Run, the Einstein-Lauf (race) in Ulm and Friedrichshafen. Furthermore, HENSOLDT participated for the first time in the annual "PEDAL TO EMPOWER" charity event, which was organised on World Bicycle Day to raise funds for World Bicycle Relief and support women and girls in low-income regions that lack reliable transport facilities.

HENSOLDT also supported socially disadvantaged adults and children and donated € 7 thousand to the Friedrichshafen and Kitzingen food bank as well as € 1,5 thousand to the Salberghaus Putzbrunn. The company also continued its long-standing membership at and support for "Lachen Helfen e.V." which is a nationwide initiative of the Bundeswehr to support children in conflict and crisis regions.

During the Ulm summer festival, HENSOLDT organised jointly with its staff a competition in favour of the "Bärenfamilie", an association that supports parents in caring for their seriously ill children. This organisation provides children with special care and development toys that are highly appreciated by the families. The lottery was a success and brought in a sum of € 6 thousand.

At HENSOLDT, we recognised the growing challenges facing modern fire services and thus supported the volunteer fire brigade in Taufkirchen and Ottobrunn with a generous donation of € 8 thousand.

HENSOLDT provides annual financial support and participates in activities such as training workshops on topics such as the basics of digital technology, electrical connections and soldering.

In addition, HENSOLDT continued, in cooperation with research organisations and higher education institutions, its tradition of awarding the Argus Research Prize in 2023 to recognise outstanding theses by university graduates. This initiative promotes the connection between HENSOLDT and the next generation of leading researchers and developers and complements the company's ongoing funding activities at the Karlsruhe Institute of Technology (KIT) and the "Jugend forscht" young talent competition.

In response to international emergencies, in particular environmental disasters, HENSOLDT quickly made € 20 thousand available to help the victims of the earthquake in Turkey in March 2023.

HENSOLDT UK continues its tradition of prioritising education as a social investment, when in 2023, HENSOLDT UK continued to be active in the local schools, helping to integrate selected graduates into the company's business. Every year, HENSOLDT UK organises industrial days at the Enfield site for local schools and offers work experience programmes as well as apprenticeship programmes. The company is host to graduates from universities in Europe and the UK for them to gain valuable experience in the subjects they chose.

HENSOLDT UK supports ex-militaryservice personnel by helping them to a new life after their return from military service. For example, HENSOLDT UK supports two weeks paid leave per year for the ex-military "reservists" employed by the company. HENSOLDT UK offers a paid attendance for personnel who attend courts or tribunals and are called as witness for criminal courts or local district courts.

In addition to the above-mentioned support offers, HENSOLDT UK started a partnership in 2023 with the 4-22 Foundation, a UK non-profit organisation founded in 2019. It provides young people at every stage of their childhood between the ages of 4 and 22 with continuous and integrated long-term support. We focus on those who are most at risk of being disadvantaged.

HENSOLDT UK offers an interconnected and holistic range of projects, including tutoring, academic support, career workshops, STEM services, internships and support for people to become employable in paid work.

In 2023, HENSOLDT South Africa organised the so-called Mandela Day as part of its Corporate Social Programme. In Vrygrond and other municipalities, fundraisers were offered through the sale of baked goods and the collection of items such as hats, blankets, socks and shoes for children. The donations of Cape Town Radar and GEW "Soles for Souls" were well received in the Capricorn Business Park of Siyakhula. The members of HENSOLDT's Young Professional Forum collected donations from various business sectors and donated to TSHWANE HAVEN, a children's home in Pretoria.

HENSOLDT South Africa has started a vegetable growing project for and with Mahube Valley Secondary School to provide the community with valuable skills and a sustainable source of food. A total of 1,080 schoolchildren participated in this campaign. HENSOLDT has equipped this school with a library, Wi-Fi and a sports field with four playing fields during recent years.

# 7 Planet and Resources

## Management Approach

**Reducing our carbon footprint and our energy consumption are at the core of our sustainability management. It becomes apparent by the firm anchoring in the performance-related remuneration of our board members ("LTI bonus", see also chapter 1 "Sustainability Management" and the Remuneration Report). The current LTI bonus agreement (2023–2026) includes the "Climate Impact" target in addition to financial and diversity targets.<sup>9</sup> It is composed of the priority areas of increasing the share of renewable energy in the energy consumed by the HENSOLDT Group to 60 percent (heating, air conditioning, steam and electricity) and reducing carbon emissions by 25 percent (Scope 1 and 2) by the end of 2026 compared to the 2020 baseline.**

The company has set itself the goal of becoming carbon neutral (Scope 1 and 2) by 2035. In order to achieve the target, a greenhouse gas reduction path with three-year targets for 2024 is to be developed. In addition, it is planned to survey Scope 3 emissions. This should also highlight the financial investments and possible transition risks or locked-in effects for the main assets and products. A cross-location action plan for the key areas of action will be closely coordinated with the key specialist departments (Facility Management, Health Safety and Environment, Fleet Management, Finance and Production).

The following fields of action have been identified as priority areas for reduction measures: expansion of renewable electricity and heat generation, reduction of energy consumption in the buildings we use and accelerating the switch to e-mobility in our vehicle fleet. For the neutralization of the residual, unavoidable emissions, carbon credits will be used.

In future, these plans will be rolled out and consolidated at a global level by a newly established task force. The requirements of the HSE guidelines apply additionally, which include requirements in the areas of material consumption, recycling, promotion of environmental awareness (see chapter 5 "Health, Safety and Environmental Protection").

## Mobility

All employees have the possibility of a public transport ticket subsidy to promote the switch from private to public transport. Another incentive was created when charging stations for electric cars were provided at the locations of Ulm, Taufkirchen, Immenstaad, Oberkochen, Aalen and Kiel, which employees can also use for charging their private cars. Our plans to further expand the HENSOLDT charging infrastructure at German sites in the coming years should underline the continuous switch to electric vehicles for employees, departmental vehicles and in particular for users of company cars so that our carbon footprint is reduced by ground-based mobility. The e-bike charging stations, which have been installed at German sites since 2022, are another approach to address the changing mobility behaviour of employees.

In the UK, HENSOLDT has also committed to reducing carbon emissions. Business trips should be avoided by all means. Preferring local suppliers should reduce delivery traffic.

The requirement of avoiding business trips and national business flights as far as possible also applies in France. Together with a decreasing energy consumption, this should lead to measurable reductions in greenhouse gas emissions. At the same time, HENSOLDT France is regarded as an internal prime example for the use of green electricity from hydrogen thanks to the technologies of NEXEYA and MAHYTEC.

## Expansion of renewable electricity and heat generation

Our existing photovoltaic systems at the Ulm, Kiel (implemented in 2023) and Taufkirchen sites consistently generate green energy for self-consumption. A key element for HENSOLDT over the next few years should be the expansion of photovoltaics, not only in Germany but also at our locations worldwide.

Our new German sites in Wetzlar, Oberkochen and Laichingen are all equipped with extensive photovoltaic systems. As a result, the total newly installed capacity by the end of 2024 is expected to be around 1.600 kWp. In Wetzlar and Oberkochen, heat is additionally supplied based on heat pump concepts. A coherent overall concept with regard to a low-carbon supply is thus realised both in terms of heat and power supply.

A large-scale expansion of photovoltaic systems should be examined at our locations in South Africa by the beginning of 2024 in order to reduce dependence on the volatile power grid. A decision on the implementation of the expansion should be made in 2024.

<sup>9</sup> The sub-target "Reduction of the use of Volatile Organic Compounds (VOCs)" of the "Climate Impact" was deleted as it was found to be not meaningful and insufficient for controlling the behaviour.

## **Reduction of energy consumption of the buildings we use**

In Enfield (UK), gas consumption has been reduced by around 85 % by switching from gas to electricity-based hot water generation. It is only on very cold days that a peak load boiler is switched on for central heating backup. In addition, the electricity consumption was reduced by 12 % due to various measures such as installing LED lamps, raising awareness among employees and optimising the heating and cooling system. The expansion of photovoltaics is also being considered here as the next step, and initial concepts are under development.

At our largest production site in Ulm, all production areas were checked for their temperature standards in collaboration between production and facility management and optimisations were carried out wherever possible. In addition, the larger ventilation systems were checked and readjusted where necessary.



# 8 Product Responsibility

## Management Approach

**As a supplier of high-quality electronic sensors and solutions in the defence and security sector, we take our product responsibility extremely seriously. We analyse the risks associated with the usage of our products and strive to mitigate these risks by taking appropriate actions. Product development is guided by HENSOLDT's understanding of sustainability and a commitment to minimising negative impacts (see chapter 1 "Sustainability Management").**

The topic of product responsibility forms an integral part of our business system and is depicted in various processes. In addition to fulfilling the function and the important performance features, our focus for the products is on product safety and compliance with regulatory requirements. The integration into the business system and the underlying processes aims to ensure operational security and minimise negative effects.

Vulnerability analysis and risk assessments are at the heart of the development process. This is an important contribution to ensuring that our products comply with the recognised state-of-the-art regarding the hazards posed by the products and that only acceptable residual risks are associated with the use of our products.

In order to minimise the risks of cybersecurity attacks on our products, the vulnerability analysis and risk assessment and the measures and activities derived from them are to be expanded in 2024 to also analyse and evaluate vulnerabilities and threats related to cybersecurity. The necessary measures should then be implemented in the products as early as during the development process.

We apply advanced technologies, driven by the awareness that business success depends to a large extent on superior product quality. With our customer's requirements in mind, we continuously review and adapt the product portfolio. The continuous evaluation of the company's necessary core technologies provides input for a long-term and sustainable technology strategy. Responsible technology managers anticipate future developments, define development needs and monitor their implementation in technology development projects.

Internal guidelines, processes, and an in-house export control unit help us to ensure that our products are exported in accordance with applicable national, European, and international export regulations. By means of end-user declarations, it should be ensured that HENSOLDT products are only passed on to authorised recipients approved by the respective authorities.

## More safety through and in AI

**Security plays a special role in the increasing use of artificial intelligence. We are using these technologies to develop ever more powerful sensor systems.**

HENSOLDT is convinced that the company's solutions offer the superior performance expected by the Bundeswehr, the allied armed forces and partners, also decisively through the use of artificial intelligence.

Safety means above all that humans always remain involved in the control. However, the high degree of automation that is necessary for timely, performance-optimised, resource-conserving and collateral-effect-minimising action should not be dispensed with at the same time.

We attach great importance to the responsible use of this new technology and examine how the results of AI applications can be made comprehensible and explainable.

## Lightweight Construction to Conserve Resources

**Innovation is essential in order to operate sustainably, which is why we regularly invest in technology. Innovative lightweight-construction technologies illustrate this well. They make it possible to conserve resources when manufacturing products as well as when using them and recycling them later on. They add value for customers thanks to the advantages and savings when the technologies are applied.**

For this reason, we are increasingly integrating lightweight construction into our development and design processes on a step-by-step basis. We are cooperating with research organisations to do things such as establish specifications for suitable materials for targeted, secure usage in lightweight construction products. In addition, we are using virtual design and modern construction methods so that we can offer increasingly lighter, and therefore more sustainable, products. Additional, specialised training programmes and the designation of “lightweight-construction specialists” are designed to increase their acceptance. A focus area for these efforts is 3D printing for multimaterial design and high-frequency components and systems. Lightweight construction not only increases the sustainability of our existing products, but also enables entirely new applications and solutions.

## **Sustainable across the Product Life Cycle**

**We study our products’ sustainability not only in terms of their production and application, but also in terms of their life cycle.**

Raw materials are also chosen based on their later recyclability, and such as aluminium, are consistently recycled. An additional study of our product range by an external specialist should also identify further potential for optimisation.

At the same time, we also want to replace the frequently applied practice of scheduled maintenance (based on usage time) with intelligent on-demand maintenance (based on necessity). This conserves resources, lowers expenses, and reduces possible downtime for customers.

The incorporation of all aspects of a product’s life, from manufacturing to usage and subsequent recycling, creates new possibilities for decreasing the use of raw materials. In addition to the benefit for HENSOLDT and its customers, this especially benefits the protection of the environment.

## **Protecting People, Animals, and Nature**

**Products developed by HENSOLDT for the purposes of intelligence and security also actively help to protect nature.**

HENSOLDT is actively involved in the protection of all sectors and industries that are connected to oceans, seas, and coasts, i.e. the “blue economy”. This can be seen in the company’s support for South Africa’s Table Mountain National Park in its efforts to stop the illegal exploitation of marine resources and preserve the natural world heritage of the Cape Peninsula. HENSOLDT’s commitment is also on display at mussel farms and national parks in Costa Rica and the Hangklip Conservancy near Cape Town, which are monitored and protected against poaching and overfishing using HENSOLDT radar systems originally developed for border protection.

# 9 GRI Content Index and Data

## GRI Content Index

Statement of use: HENSOLDT has reported in accordance with the GRI Standards for the period 01/01/2023-12/31/2023. The year behind the respective GRI standard indicates the year of publication.

GRI 1 (2021): Foundations		
GRI Indicator	GRI Standard	Page Number/URL/Explanation
GRI 2 (2021): General Disclosures		
GRI 2-1	Organisational details	HENSOLDT AG; HENSOLDT AG, which is entered in the Commercial Register of the Munich Local Court (HRB 258711), has its registered office in Taufkirchen, Germany. Combined management report (2023) chapter I.2 and Notes to the consolidated financial statements (2023) chapter II.6.
GRI 2-2	Entities included in the organisation's sustainability reporting	Combined management report (2023) chapter I.2 and Notes to the consolidated financial statements (2023) II.6, GRI Performance Data.
GRI 2-3	Reporting period, frequency and contact point	Sustainability Report (2023) chapter 1, annually; Notes to the consolidated financial statements (2023) chapter I.1; April 2024; sustainability@hensoldt.net.
GRI 2-4	Restatements of information	GRI Content Index, GRI Performance Data.
GRI 2-5	External assurance	Sustainability Report (2023) chapter 10.
GRI 2-6	Activities, value chain and other business relationships	Combined management report (2023) chapter I.1; Combined management report (2023) chapter I.3. and IV.1.3. Information on the legal structure: Combined management report (2023) chapter I.2.1; Sustainability Report (2023) chapter 3; Notes to the consolidated financial statements (2023) chapter II.8.
GRI 2-7	Employees	Sustainability Report (2023) chapter 4; and Combined management report (2023) I.2.2; GRI Performance Data. The information in the performance data is calculated in full-time equivalents and was recorded at the end of the reporting period.
GRI 2-8	Workers who are not employees	In FY 2023, HENSOLDT engaged 137 workers who were not employees. These individuals were predominantly temporary workers in Germany. The engagement takes place indirectly via the respective personnel service provider. These workers perform work comparable to that of other HENSOLDT employees. This figure is calculated in full-time equivalent (FTE) and was recorded at the end of the reporting period. Interns, trainees and student trainees are recorded as salaried employees. There was no significant volatility in the number of non-employees during the reporting period.
GRI 2-9	Governance structure and composition	Sustainability Report (2023) chapter 1; Combined management report (2023) chapter VII.5.
GRI 2-10	Nomination and selection of the highest governance body	Combined management report (2023), chapter VII.5.
GRI 2-11	Chair of the highest governance body	Combined management report (2023), chapter VII.5.
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report (2023) chapter 1; Combined Management report (2023), chapter VII.5.
GRI 2-13	Delegation of responsibility for managing impacts	Sustainability Report (2023) chapter 1; Combined management report (2023), chapter VII.5.
GRI 2-14	Role of the highest governance body in sustainability reporting	Sustainability Report (2023) chapter 1; Combined management report (2023) chapter VII.5.
GRI 2-15	Conflicts of interest	Sustainability Report (2023) chapter 2; Combined management report (2023) chapter VII.5; Report of the Supervisory Board.
GRI 2-16	Communication of critical concerns	The number and type of critical concerns is confidential for reasons of competition law and is not communicated externally.
GRI 2-17	Collective knowledge of the highest governance body	Combined management report, chapter I.3, chapter VII.5.
GRI 2-18	Evaluation of the performance of the highest governance body	Notes to the consolidated financial statements (2023) chapter 30; remuneration report.

GRI Indicator	GRI Standard	Page Number/URL/Explanation
GRI 2-19	Remuneration policies	Sustainability Report (2023) chapter 1; Combined management report chapter VII.3; remuneration report.
GRI 2-20	Process to determine remuneration	Combined management report (2023) chapter VII.3; remuneration report.
GRI 2-21	Annual total compensation ratio	The total annual compensation of the highest paid person in the organisation is 14 times the median total annual compensation of all employees (excluding the highest paid person). The median total annual remuneration of all employees increased by 5.06% compared to the previous year, while the total annual remuneration of the highest paid person decreased by 8.87%. The total annual remuneration for the highest paid person has decreased in relation to the median increase in total annual remuneration for all employees. The calculation of the information on the median total annual remuneration of all employees is based on the contractually agreed total annual remuneration and the collectively agreed total annual remuneration.
GRI 2-22	Statement on sustainable development strategy	Sustainability Report (2023) chapter 1.
GRI 2-23	Policy commitments	Sustainability Report (2023) chapter 1; chapter 2; chapter 3.
GRI 2-24	Embedding policy commitments	Sustainability Report (2023) chapter 1; chapter 2; chapter 3; Combined management report (2023) chapter VII.4.
GRI 2-25	Processes to remediate negative impacts	Sustainability Report (2023) chapter 2; Combined management report chapter IV.1, chapter VII.4, chapter VII.5.
GRI 2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report (2023) chapter 2.
GRI 2-27	Compliance with laws and regulations	Combined management report (2023), chapter IV.1; Notes to the Consolidated financial statements (2023) chapter 23.
GRI 2-28	Membership associations	HENSOLDT is active in the CSR groups of the BDSV (Bund deutscher Sicherheits- und Verteidigungsindustrie) and ASD (Aerospace and Defense). In addition, HENSOLDT is involved in other associations and interest groups.
GRI 2-29	Approach to stakeholder engagement	Sustainability Report (2023) chapter 1.
GRI 2-30	Collective bargaining agreements	69.4% of the workforce at HENSOLDT is covered by collective bargaining or similar agreements. The corrected figure for the previous year is 83.3%. The reason for the incorrect figure was an incorrect calculation method.
<b>GRI 3: Material topics</b>		
GRI 3-1	Process to determine material topics	Sustainability Report (2023) chapter 1.
GRI 3-2	List of material topics	Sustainability Report (2023) chapter 1.
<b>Business Integrity – Compliance and Anti-Corruption</b>		
GRI 3-3	Management of material topics	Requirement 3-3 a to d: Sustainability Report (2023) chapter 2 Requirement 3-3 e: For HENSOLDT, the topic of sustainability has a high priority. The effectiveness of the measures taken is regularly reviewed by the relevant departments. In addition, the ESG Committee coordinates and improves all ESG activities in continuous cooperation with the cross-functional ESG teams. Sustainability Report (2023) chapter 1 Requirement 3-3 f: Sustainability Report (2023) chapter 1.
<b>GRI 205 (2016): Anti-Corruption</b>		
GRI 205-1	Operations assessed for risks related to corruption	For reasons of confidentiality, neither the total number and percentage of operating sites that were checked for corruption risks nor the corruption risks identified are reported.
GRI 205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report (2023) chapter 2; The Management Board, Supervisory Board and all HENSOLDT employees are informed of the anti-corruption guidelines at least once a year. Annual training is mandatory for every HENSOLDT employee, the Management Board and the Supervisory Board. Business partners are informed of the anti-corruption guidelines when contracts are concluded. The policy statement on respect for human rights is publicly available at: <a href="https://www.hensoldt.net/fileadmin/HENSOLDT_2019/Supplier_Information/HENSOLDT_Group_Policy_statement_on_human_rights_EN.pdf">https://www.hensoldt.net/fileadmin/HENSOLDT_2019/Supplier_Information/HENSOLDT_Group_Policy_statement_on_human_rights_EN.pdf</a> .
GRI 205-3	Confirmed incidents of corruption and action taken	There were no confirmed cases of corruption during the fiscal year.
<b>GRI 206 (2016): Anti-competitive Behaviour</b>		

GRI Indicator	GRI Standard	Page Number/URL/Explanation
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	In the reporting period, there were no legal proceedings due to anti-competitive behaviour and violations of antitrust and monopoly law in which HENSOLDT is an involved party.
<b>Planet and Resources – Energy</b>		
GRI 3-3	Management of material topics	Requirement 3-3 a to e: Sustainability Report (2023) chapter 7. Requirement 3-3 f: Sustainability Report (2023) chapter 1.
<b>GRI 302 (2016): Energy</b>		
GRI 302-1	Energy consumption within the organisation	Requirement 302-1 a to e: Sustainability Report (2023) chapter 7; GRI Performance Data. Requirement 302-1 f and g: HENSOLDT collects this data using the software tool of a certified software partner of the Global Reporting Initiative.
GRI 302-2	Energy consumption outside of the organisation	Currently, the information required by GRI 302-2 is not yet available, as it has not yet been systematically collected. HENSOLDT currently works on being able to collect this data in the future and to report it for FY 2024.
GRI 302-3	Energy intensity	GRI Performance Data.
GRI 302-4	Reduction of energy consumption	Sustainability Report (2023) chapter 7.
GRI 302-5	Reduction in energy requirements of products and services	HENSOLDT has set up a cross-site team that deals with the reduction of the energy demand of products and services. Data regarding the reduction of energy demand for sold products and services achieved in the reporting period is currently not collected and can therefore not yet be reported. HENSOLDT currently works on being able to collect this data in the future and to report it for FY 2024.
<b>Planet and Resources – Emissions</b>		
GRI 3-3	Management of material topics	Requirement 3-3 a to e: Sustainability Report (2023) chapter 7. Requirement 3-3 f: Sustainability Report (2023) chapter 1.
<b>GRI 305 (2016): Emissions</b>		
GRI 305-1	Direct (Scope 1) GHG emissions	Requirement 305-1 a: GRI Performance Data. Requirement 305-1 b: All greenhouse gases required by GRI 305-1 were reported in the calculation of the data. Requirement 305-1 c: Data regarding biogenic CO <sub>2</sub> emissions in CO <sub>2</sub> equivalent is currently not available for reporting. HENSOLDT currently works on being able to report this information in the future. Requirement 305-1 e and g: HENSOLDT collects this data using the software tool of a certified software partner of the Global Reporting Initiative. Requirement. 305-1 f: GRI Performance Data.
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Requirement 305-2 a to b: GRI Performance Data. Requirement 305-2 c: All greenhouse gases required by GRI 305-1 were reported in the calculation of the data. Requirement 305-2 e and g: HENSOLDT collects this data using the software tool of a certified software partner of the Global Reporting Initiative. Requirement 305-2 f: GRI Performance Data.
GRI 305-3	Other indirect (Scope 3) GHG emissions	Currently, the information required by GRI 305-3 is not yet available, as it has not yet been systematically collected. HENSOLDT currently works on being able to collect this data in the future and to report it for FY 2024.
GRI 305-4	GHG emissions intensity	GRI Performance Data.
GRI 305-5	Reduction of GHG emissions	Sustainability Report (2023) chapter 7.
GRI 305-6	Emissions of ozone-depleting substances (ODS)	Requirement 305-6 a to b: GRI Performance Data. Requirement 305-6 c to d: HENSOLDT collects this data using the software tool of a certified software partner of the Global Reporting Initiative.
GRI 305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Requirement 305-7 a: GRI Performance Data. Requirement 305-7 b to c: HENSOLDT collects this data using the software tool of a certified software partner of the Global Reporting Initiative.
<b>Responsible Sourcing – Supplier Environmental Assessment</b>		
GRI 3-3	Management of material topics	Requirement 3-3 a to e: Sustainability Report (2023) chapter 3. Requirement 3-3 f: Sustainability Report (2023) chapter 1.
<b>GRI 308 (2016): Supplier Environmental Assessment</b>		
GRI 308-1	New suppliers that were screened using environmental criteria	The data is not available at the time of publication.

GRI Indicator	GRI Standard	Page Number/URL/Explanation
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	Requirement 308-2 a: In the reporting year, 1,587 suppliers were checked for environmental impacts. Requirement 308-2 b to e: No significant actual or potential negative environmental impacts were identified at suppliers or in the supply chain.
<b>Human Potential – Employment</b>		
GRI 3-3	Management of material topics	Requirement 3-3 a to d: Sustainability Report (2023) chapter 4. Requirement 3-3 e: For HENSOLDT, the topic of sustainability has a high priority. The effectiveness of the measures taken is regularly reviewed by the relevant departments. In addition, the ESG Committee coordinates and improves all ESG activities in continuous cooperation with the cross-functional ESG teams. Sustainability report (2023) chapter 1. Requirement 3-3 f: Sustainability Report (2023) chapter 1.
<b>GRI 401 (2016): Employment</b>		
GRI 401-1	New employee hires and employee turnover	Sustainability Report (2023) chapter 4; GRI Performance Data. A breakdown of data by age group is currently not available; inclusion of data in future reporting is currently being discussed.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not reported. Reason: not applicable. We adhere to collective bargaining agreements and do not differentiate between benefits for full-time, temporary, and part-time employees.
GRI 401-3	Parental leave	Requirement 401-3 a: In the HENSOLDT Group, 5,683 employees are entitled to parental leave, of which 1,377 are women and 4,486 are men. Requirement 401-3 b: GRI Performance Data. Requirement 401-3 c to e: The required information is currently not captured centrally and therefore cannot be reported for fiscal year 2023 due to the lack of availability. HENSOLDT still works on being able to capture the data and to report the information in the future. However, it has been observed that most employees who have taken parental leave generally return to work and remain with the company. HENSOLDT tries to encourage this by offering extensive part-time scheduling.
<b>Health and Safety – Occupational Health and Safety</b>		
GRI 3-3	Management of material topics	Requirement 3-3 a to d: Sustainability Report (2023) chapter 5. Requirement 3-3 e: For HENSOLDT, the topic of sustainability has a high priority. The effectiveness of the measures taken is regularly reviewed by the relevant departments. In addition, the ESG Committee coordinates and improves all ESG activities in continuous cooperation with the cross-functional ESG teams. Sustainability Report (2023) chapter 1. Requirement 3-3 f: Sustainability Report (2023) chapter 1.
<b>GRI 403 (2018): Occupational Health and Safety</b>		
GRI 403-1	Occupational health and safety management system	Sustainability Report (2023) chapter 5. This information also includes employees who are non-employees.
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report (2023) chapter 5. This information also includes employees who are non-employees.
GRI 403-3	Occupational health services	Sustainability Report (2023) chapter 5. This information also includes employees who are non-employees.
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report (2023) chapter 5. This information does not include employees who are non-employees.
GRI 403-5	Worker training on occupational health and safety	Sustainability Report (2023) chapter 5. This information also includes employees who are non-employees.
GRI 403-6	Promotion of worker health	Sustainability Report (2023) chapter 5. This information does not include employees who are non-employees.
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	Sustainability Report (2023) chapter 5. This information also includes employees who are non-employees.
GRI 403-8	Workers covered by an occupational health and safety management system	Sustainability Report (2023) chapter 5. This information also includes employees who are non-employees.
GRI 403-9	Work-related injuries	Sustainability Report (2023) chapter 5; GRI Performance Data. Not all of the information required in 403-9 was collected for fiscal year 2023 and therefore cannot be reported. It is being discussed to capture this data in the future.

GRI Indicator	GRI Standard	Page Number/URL/Explanation
GRI 403-10	Work-related ill health	Sustainability Report (2023) chapter 5; GRI Performance Data. Not all of the information required in 403-10 was collected for fiscal year 2023 and therefore cannot be reported. It is being discussed to capture this data in the future.
<b>Human Potential – Training and Education</b>		
GRI 3-3	Management of material topics	Requirement 3-3 a to d: Sustainability Report (2023) chapter 4. Requirement 3-3 e: For HENSOLDT, the topic of sustainability has a high priority. The effectiveness of the measures taken is regularly reviewed by the relevant departments. In addition, the ESG Committee coordinates and improves all ESG activities in continuous cooperation with the cross-functional ESG teams. Sustainability Report (2023) chapter 1. Requirement 3-3 f: Sustainability Report (2023) chapter 1.
<b>GRI 404 (2016): Training and Education</b>		
GRI 404-1	Average hours of training per year per employee	GRI Performance Data. A breakdown by employee category is not possible at this stage, as this data is not yet collected centrally. HENSOLDT still works on being able to collect this data centrally and publish it in the future.
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report (2023) chapter 4.
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	GRI performance data; In the reporting period, 94.2% of employees received a performance appraisal. This information is made up of 93.6% female and 94.3% male employees.
<b>Human Potential – Diversity and Equal Opportunities</b>		
GRI 3-3	Management of material topics	Requirement 3-3 a to e: Sustainability Report (2023) chapter 4. Requirement 3-3 f: Sustainability Report (2023) chapter 1.
<b>GRI 405 (2016): Diversity and Equal Opportunities</b>		
GRI 405-1	Diversity of governance bodies and employees	Sustainability Report (2023) chapter 4; GRI Performance Data. Diversity and equal opportunities are top priorities for HENSOLDT. However, due to the current data collection, it is currently not yet possible to show the proportions of age groups. As in the previous year, HENSOLDT still works on being able to collect this data centrally and publish it in the next reporting year.
GRI 405-2	Ratio of basic salary and remuneration of women to men	Sustainability Report (2023) chapter 4. For HENSOLDT, it is self-evident that the collective bargaining agreements and the remuneration principles are independent of gender and that there are no systematic differences. In the companies covered by collective bargaining agreements, the respective collective wage agreements are applied. Despite analyzing the remuneration, it was not possible to determine a representative value. Therefore, it is postponed to 2024 as part of the CSRD reporting.
<b>Responsible Sourcing – Supplier Social Assessment</b>		
GRI 3-3	Management of material topics	Requirement 3-3 a to e: Sustainability Report (2023) chapter 4. Requirement 3-3 f: Sustainability Report (2023) chapter 1.
<b>GRI 414 (2016): Supplier Social Assessment</b>		
GRI 414-1	New suppliers that were screened using social criteria	The data is not available at the time of publication.
GRI 414-2	Negative social impacts in the supply chain and actions taken	Requirement 414-2 a: In the reporting year, 1,587 suppliers were checked for social impacts. Requirement 414-2 b to e: No significant actual or potential negative social impacts were identified at suppliers or in the supply chain in the reporting year.



GRI Indicator	GRI Standard	Page Number/URL/Explanation
<b>Further Topics – Not Covered by the GRI Topic Standards</b>		
Community Relations		
GRI 3-3	Management of material topics	Sustainability Report (2023) Chapter 6. Requirement 3-3 a to d: Sustainability Report (2023) Chapter 6. Requirement 3-3 e: For HENSOLDT, the topic of sustainability has a high priority. The effectiveness of the measures taken is regularly reviewed by the relevant departments. In addition, the ESG Committee coordinates and improves all ESG activities in continuous cooperation with the cross-functional ESG teams. Requirement 3-3 f: Sustainability Report (2023) chapter 1.
Product Responsibility		
GRI 3-3	Management of material topics	Sustainability Report (2023) Chapter 8. Requirement 3-3 a to e: Sustainability Report (2023) Chapter 8. Requirement 3-3 f: Sustainability Report (2023) chapter 1.

## GRI Performance Data

GRI Standards	Indicator	Performance 2023	Performance 2022	Performance 2021	
<b>Environment</b>					
Energy	GRI 302-1	Energy consumption within the organization			
		Scope 1 emissions			
		Diesel [kWh]	3,994,182	2,677,014	216,934
		Fuel Oil [kWh]	42,367	62,411	45,660
		Natural Gas [kWh]	423,442	550,359	463,712
		Propane [kWh]	18,743	0	0
		Scope 2 emissions			
		Electricity (non-renewable energies) [kWh] <sup>1)</sup>	9,289,242	8,879,807	8,561,564
		Electricity (renewable energies) [kWh] <sup>1)</sup>	40,647,076	28,542,796	27,853,112
		Total electricity consumption [kWh]	49,936,318	37,422,603	36,414,676
		Purchased heating [kWh]	20,768,311	25,291,207	28,977,091
		Cooling [kWh]	5,188,022	5,191,777	5,339,145
		Steam [kWh]	2,189,214	2,515,885	2,837,231
		<b>Total</b>			
			Total energy consumption within the organization	82,560,599	73,711,256
	GRI 302-3	Energy Intensity Intensity in kWh/Revenue in T €	45kWh/tEUR	43kWh/tEUR	50kWh/tEUR
Water	GRI 303-5	Water consumption [m <sup>3</sup> ] <sup>1)</sup>	107,686	82,253	86,479
Emissions	GRI 305-1	Direct GHG emissions (Scope 1) [tCO <sub>2</sub> e] <sup>2)</sup>	3,208	3,319	3,632
	GRI 305-2	Indirect GHG emissions (Scope 2, market-based approach) [tCO <sub>2</sub> e] <sup>2)</sup>	7,259	7,487	7,490
	GRI 305-4	Intensity of THG-Emissions GHG emissions Scope 1 + Scope 2 in gCO <sub>2</sub> e / revenue in € <sup>2)</sup>	6 gCO <sub>2</sub> e/ EUR	6 gCO <sub>2</sub> e/ EUR	8 gCO <sub>2</sub> e/ EUR
	GRI 305-6	Emissions of ozone-depleting substances (ODS) [kg] <sup>4)</sup>	118.0	235.6	414.7
	GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			
		Nitrogen oxides (NOx)	0	0	0
		Sulfur oxides (SOx)	0	0	0
		Persistent organic pollutants	0	0	0
Volatile organic compounds (VOC) [kg]		3,694	2,509	3,239	
Hazardous air pollutants		0	0	0	
		Particulate matter	0	0	0
Waste	GRI 306-3	Waste			
		Non-hazardous waste [metric tons]	1,074	950	1,119
		Hazardous waste [metric tons]	195	132	79

Scope: HENSOLDT, consolidated companies (without sales representative offices and Australia) incl. MaHyTec S.A.S.

Material non-financial content as specified in HGB section 315c in conjunction sections 289c to 289e was audited with limited assurance by KPMG AG Wirtschaftsprüfungsgesellschaft as part of an ISAE 3000 (Revised) audit and is highlighted in light green in the GRI Performance table.

1) Corrected previous year's figure due to incorrect calculation in the previous year.

2) The emission factors were comprehensively updated, as a result of which the previous year's figures were also adjusted retrospectively. Emission factors from the DEFRA (Department for Environment, Food and Rural Affairs, Ministry of Great Britain), Ecoinvent and the German Environment Agency databases were mainly used.

3) Including emissions from the energy consumption of company vehicles and the use of refrigerants.

4) ODS include HFC-23, HFC-134, HFC-134a, R-404a, R-407c, R-410a.

GRI Standards	Indicator	Performance 2023	Performance 2022	Performance 2021	
<b>Social</b>					
Employment	GRI 401-1	New employee hires and employee turnover			
		New hires	860	590	715
		Voluntary turnover <sup>5)</sup>	198	254	222
		Non voluntary turnover	148	160	125
	GRI 401-3	Parental leave			
		Paternity/maternity leave taken in the reporting period	282	261	370
		Total female paternity/maternity leave taken	132	108	144
		Total male paternity/maternity leave taken	150	153	226
Occupational Health & Safety	GRI 403-9	Work-related injuries <sup>6)</sup>			
		Number of work-related injuries	97	81	74
		Number for employees	97	81	74
		Number for workers who are not employees	0	0	0
		Rate of work-related injuries (Injuries per 1,000,000 hours worked)	10.33	9.00	8.51
		Total workforce working hours	9,392,913	8,999,972	8,696,334
		Lost-time injury frequency rate (LTIFR) <sup>7)</sup>	0.77	0.78	0.86
		Fatalities	0	0	0
	GRI 403-10	Work-related ill health <sup>6)</sup>			
		Number of cases of recordable work-related ill health	0	0	2
		Number for employees	0	0	2
Number for workers who are not employees		0	0	0	
	Number of fatalities as a result of work-related ill health	0	0	0	
Training & Education	GRI 404-1	Average hours of training per year per employee			
		Average hours of training that the organization's employees have undertaken during the reporting period	18.35	19.90	17.94
		Average for female employees	20.35	21.53	19.34
		Average for male employees	17.74	19.45	17.54
		Total number of training hours	112,696	110,199	97,387
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews			
		Percentage of employees receiving regular performance and career development reviews	94 %	93 %	95 %
Diversity & Equal Opportunity	GRI 405-1	Diversity in governance bodies and among employees			
		Percentage of women in the active workforce	23 %	23 %	23 %
		Percentage of women in management positions (senior manager positions)	15 %	10 %	10 %
		Percentage of women in management positions (executive positions)	25 %	16 %	10 %
		Percentage of women in the Leadership Team <sup>8)</sup>	25 %	20 %	15 %
		Percentage of women in the Executive Committee (incl. Board)	25 %	9 %	8 %

Scope: HENSOLDT, consolidated companies (without sales representative offices and Australia) incl. MaHyTec S.A.S., excl. students and interns  
Material non-financial content as specified in HGB section 315c in conjunction sections 289c to 289e was audited with limited assurance by KPMG AG Wirtschaftsprüfungsgesellschaft as part of an ISAE 3000 (Revised) audit and is highlighted in light green in the GRI Performance table.

5) Including partial retirement, mutual agreement, termination by employee.

6) Information under GRI 403 refers to the employee groups that are significant for us (HENSOLDT employees and temporary workers).

7) LTIFR formula: The injury severity rate represents the number of lost workdays experienced per 100 workers. Injury severity rate = (number of workdays lost + light duty days lost) x 200,000/total hours worked.

8) Definition (also retroactive for 2020): entire HENSOLDT Group Leadership Team (Leadership Team incl. Executive Committee and Management Board).

GRI Standards	Indicator	Performance					
<b>General Disclosures</b>							
General Disclosures	GRI 2-7	Employees					
		Reporting period 2023					
			Sum	Female	Male		
		Number of employees (head count / FTE) <sup>9)</sup>	6,140	1,436	4,704		
		Number of permanent employees (head count / FTE)	5,937	1,392	4,545		
		Number of temporary employees (head count / FTE)	203	44	159		
		Number of non-guaranteed hours employees (head count / FTE)	0 <sup>10)</sup>	0 <sup>10)</sup>	0 <sup>10)</sup>		
		Number of full-time employees (head count / FTE)	5,556	1,141	4,415		
		Number of part-time employees (head count / FTE)	381	251	130		
		Reporting period 2023					
			Sum	Germany	France	South Africa	UK
		Number of employees (head count / FTE) <sup>9)</sup>	6,140	4,464	704	820	152
		Number of permanent employees (head count / FTE)	5,937	4,341	687	757	152
		Number of temporary employees (head count / FTE)	203	123	17	63	—
		Number of non-guaranteed hours employees (head count / FTE)	0 <sup>10)</sup>	0 <sup>10)</sup>	—	—	—
		Number of full-time employees (head count / FTE)	5,556	3,999	656	755	146
		Number of part-time employees (head count / FTE)	381	342	31	2	6

Scope: HENSOLDT, consolidated companies (without sales representative offices and Australia) incl. MaHyTec S.A.S., excl. students and interns  
Material non-financial content as specified in HGB section 315c in conjunction sections 289c to 289e was audited with limited assurance by KPMG AG Wirtschaftsprüfungsgesellschaft  
as part of an ISAE 3000 (Revised) audit and is highlighted in light green in the GRI Performance table.

9) FTE refers to full-time equivalent.

10) In FY 2023, this information was only recorded for Germany.

## 10. Assurance Report of the Independent Auditor<sup>10</sup>

To the Supervisory Board of HENSOLDT AG, Taufkirchen

We have performed a limited assurance engagement on the separate non-financial group report of HENSOLDT AG, Taufkirchen (hereinafter the "parent company" or "HENSOLDT AG") as well as the sections "Business model" and "Organisation and group structure" of the Combined Management Report, which have been qualified as part of the separate non-financial group report by reference, for the period from January 1 to December 31, 2023.

Not subject to our assurance engagement is the material review of references to websites and external documentation sources.

### Responsibilities of Management

Management of the parent company is responsible for the preparation of the separate non-financial group report in accordance with 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": German Commercial Code) and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the delegated acts adopted thereunder as set out in section "EU-Taxonomy" of the separate non-financial group report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the group that are reasonable in the circumstances. Furthermore, management is responsible for such internal control as they consider necessary to enable the preparation of a separate non-financial group report that is free from material misstatement, whether due to fraud (manipulation of the separate non-financial group report) or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, management has disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU-Taxonomy" of the separate non-financial group report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently; the legal conformity of the interpretation is subject to uncertainties.

### Independence and Quality Assurance of the Assurance Practitioner's firm

We have complied with the independence and quality assurance requirements set out in the national legal provisions and professional pronouncements, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

### Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the separate non-financial group report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the separate non-financial group report of HENSOLDT AG for the period from January 1 to December 31, 2023, are not prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management disclosed in section "EU-Taxonomy" of the separate non-financial group report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

During the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

---

<sup>10</sup> Our engagement applied to the German version of the separate non-financial group report 2023. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

- Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining material topics and respective reporting boundaries of HENSOLDT AG
- A risk analysis, including media research, to identify relevant information on HENSOLDT AG's sustainability performance in the reporting period
- Evaluation of the design and the implementation of systems and processes for the collection, processing and monitoring of disclosures, including the data consolidation, on environmental, employee and social matters, respect for human rights, and anti-corruption and bribery matters
- Inquiries of group-level personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, performing internal control functions, and consolidating disclosures
- Inspection of selected internal and external documents
- Analytical procedures for the evaluation of the data and data trends of quantitative disclosures as reported at the group level by all sites
- Evaluation of the local data collection, validation and reporting processes as well as the reliability of the reported data based on a sample of the sites in Oberkochen (Germany) and Irene (South Africa)
- Assessment of the overall presentation of the disclosures
- Inquiries of responsible employees at the group level to obtain an understanding of the approach to identify relevant economic activities in accordance with the EU Taxonomy
- Evaluation of the design and the implementation of systems and processes for the collection, processing and monitoring of disclosures on turnover, capital expenditures and operating expenditures for taxonomy-eligible and taxonomy-aligned economic activities
- Assessment of data collection, validation and reporting processes and reliability of reported data for taxonomy-eligible and taxonomy-aligned economic activities

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

In our opinion, we obtained sufficient and appropriate audit evidence for reaching a conclusion for the assurance engagement.

### **Assurance Opinion**

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the separate non-financial group report of HENSOLDT AG, Taufkirchen, for the period from January 1 to December 31, 2023 has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management as disclosed in section "EU-Taxonomy" of the separate non-financial group report.

We do not express an assurance opinion on the references to websites or external sources of documentation mentioned in the separate non-financial group report.

### **Restriction of Use**

This assurance report is solely addressed to the Supervisory Board of HENSOLDT AG, Taufkirchen. We assume no responsibility towards third parties in this respect.

Our assignment and professional liability for the Supervisory Board of HENSOLDT AG, Taufkirchen, is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 ([https://www.kpmg.de/bescheinigungen/lib/aab\\_english.pdf](https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf)). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Munich, March 19, 2024

KPMG AG Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

Schieler  
Wirtschaftsprüfer  
[German Public Auditor]

Vogl  
Wirtschaftsprüferin  
[German Public Auditor]



# Imprint

Published by  
**HENSOLDT AG**  
Willy-Messerschmitt-Straße 3  
82024 Taufkirchen  
Germany