

**Special agreement with Suppliers of Rolls-Royce Deutschland Ltd & Co KG
("RRD") on compliance in the supply chain ("Special Agreement RRD Suppliers")**

1. The Supplier shall comply with the obligations of the Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz - "LkSG") of 16 June 2021. The Supplier shall comply with the standards set out in the German Supply Chain Act Code for RRD "SCA Code" (attached as **Appendix A**) during the existence of the contractual relationship with RRD, in its actions in the performance of the contract with RRD in its own business area. RRD's Supplier's own business area includes all activities of the Supplier in Germany and abroad that are required to meet its contractual obligation towards RRD; this covers all processes from the extraction of the raw materials to the supply of the products or the provision of the service, as may be the case.
2. RRD will perform regular and event-related risk analyses regarding the Supplier in line with the provisions of the LkSG. Should additional expectations arise in relation to the Supplier to achieve the protective goals of the LkSG, e.g. on account of an increased risk situation, RRD will notify the Supplier thereof in writing. The Supplier is then required to meet these additional expectations within a reasonable period as from receipt of the notification, normally no later than one month after receipt thereof. The preceding sentences of this paragraph apply *mutatis mutandis* if RRD adapts the Supplier's obligations and standards to the extent necessary to ensure an adequate level of protection regarding human rights and environmental protection goods within the supply chain. An adjustment is required if, based on the legally required risk analysis for RRD, such a need for adjustment arises due to new findings or assessments.
3. The Supplier shall ensure that along its own supply chain comply with the standards of the SCA Code or other standards that ensure at least and, in all respects, a comparable level of protection for all protected goods specified in the SCA Code. The Supplier shall ensure, so far as possible, that its other suppliers comply with the standards set out in the SCA Code.

4. The Supplier shall perform risk analyses on a regular and event-related basis if the risk situation changes (e.g., in the event of changed political conditions) for risks relating to the legal goods within its supply chain specified under the SCA Code and take appropriate measures to avoid or avert such risks or potential violations of the protected interests set out in the SCA Code. If any violation of a protected interest is suspected, the Supplier shall clarify this suspicion without delay. In the event that violations of protected interests are suspected and to avoid violations of protected interests in supply chains with increased risks, the Supplier is required to inform RRD without delay of a suspected violation of a protected interest or of the identified violations of protected interests and risks along with the measures taken and establish joint measures with RRD in order to terminate the risks of potential violations of protected interests along the supply chain permanently and without delay.
5. The Supplier shall agree on auditing and information rights with its direct Suppliers that allow the Supplier appropriate and effective monitoring of compliance with the Supplier's obligation. The Supplier will use these auditing and information rights to ensure that the undertaking is complied with on a regular and at least random basis such as to facilitate representative and appropriate monitoring.
6. The Supplier must inform RRD in written form at least once a year, of its own accord, about the implementation of the obligations [under this Special Agreement RRD Suppliers] in the previous reporting period. The report must provide an overview of all material developments and events in this area, describe the measures taken and list the cases in which difficulties existed and still exist during the implementation. The Supplier must inform RRD in writing without delay after obtaining knowledge of material developments, in particular difficulties in complying of the standards of the SCA Code in its own business area and in addressing expectations in the supply chain. This communication must safeguard the legitimate interests of the Supplier and observe the rights of employees, as regards data protection and the protection of business secrets.

This also applies to violations by third parties used by the Supplier. Upon request, the Supplier must provide RRD with all the necessary information in text form which RRD legitimately requests for auditing compliance with the standards pursuant to the SCA Code along the supply chain and auditing compliance with the Supplier's obligations.

7. RRD may audit the Supplier, at the former's own expense, for compliance with the obligations under this Special Agreement RRD Suppliers on a regular basis, at least once a year, as well as more than once a year on an event-related basis. To make such auditing possible, the Supplier must document its compliance (or not) with the obligations under this Special Agreement RRD Suppliers in a suitable and appropriate manner at its own expense. The auditing must be carried out during the Supplier's normal business hours and, for the purpose of an effective control, RRD need not announce it in advance. The Supplier must grant RRD access to all the internal documents, business areas and spaces relevant for the audit and cooperate with RRD to the best of its ability during the audit. During the audit, RRD must take the Supplier's legitimate business interests and data protection requirements appropriately into account. Moreover, RRD is obliged to maintain confidentiality vis-à-vis third parties regarding the subject matter and outcome of the audit. RRD may have the audit carried out by a third-party company, while protecting the Supplier's legitimate business interests and data protection requirements, e.g., by concluding a corresponding confidentiality agreement with the third-party company.

8. The Supplier must work together with RRD to remedy violations of the standards of the RRD Code and ensure the fulfilment by the Supplier of its obligation to comply with the standards in its own business area and the greatest possible compliance with the standards along the supply chain while exercising due care. The Supplier must participate at least once a year with a suitable number and a suitable group of employees in training measures conducted for it free of charge by RRD which serve to prevent violations of human rights-related and environment-related obligations.

9. The Supplier must inform in its own business area of the accessibility and anonymous usability of the whistleblower-system of RRD and request them to pass the information on to the whistleblower-system along the supply chain. The Supplier shall refrain from any detrimental measures or disciplinary measures against whistleblowers in connection with the use of the whistleblower-system.

10. Should the Supplier violate its obligations in the sections before or should a violation be imminent, Supplier shall take appropriate remedial action immediately to avert, end or minimise the extent of the violation. Where possible, RRD must first give the Supplier together with RRD the opportunity in that regard to draft a binding schedule without delay to avert, end or minimise the violation or the risk. Should the drawing up of such a schedule quite obviously be unsuitable for averting, ending, or minimising the violation or the risk or should such schedule fail to be drafted by the Supplier without undue delay or the implementation of the schedule fail, RRD may suspend its business relationship with the Supplier (including by suspending the performance of some or all of its contract(s) with Supplier) until the Supplier has remedied the violation in full. RRD will furthermore have the right to terminate its contracts with the Supplier for good cause if the statutory requirements are met. Such good cause would comprise in particular (a) a serious culpable violation or (b) repeated culpable violations of the obligations or (c) a culpable failure to bring a violation to an end within a period set for bringing it to an end or (d) a culpable refusal of auditing in accordance with the above provisions.

11. The Supplier must indemnify RRD against all claims and demands of third parties, including public authorities or other state actors, in particular penalties or fines or comparable sanctions which they assert against RRD, insofar as these claims and demands of third parties are based on culpable violations by the Supplier of the obligations set out in this special agreement or the standards set out under the SCA Code or result from them. Damages claims of RRD remain unaffected.

Appendix A - German Supply Chain Act Code for Rolls-Royce Deutschland Ltd & Co KG (“SCA Code”)

1. Compliance with human rights and environmental requirements and prohibitions in the supply chain

The unconditional basis for the business relationship between Rolls-Royce Deutschland Ltd & Co KG (“RRD”) is the protection and observance of the following protected human rights and environmental interests not only by the direct Supplier of RRD itself, but also along its supply chain. This includes the observance of the protected human rights and environmental interests and the prohibitions, as listed below, to which reference is made in section 2 of the Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz - “LkSG”) of 16 June 2021; this also includes the conventions listed by reference in section 2 LkSG and nos. 1 – 11 of its Annex and the protected legal positions specified therein:

- 1.1. The prohibition of the employment of a child under the age at which compulsory schooling ends according to the law of the place of employment, provided that the age of employment is not less than 15 years, except where the law of the place of employment so provides in accordance with Article 2(4) and Articles 4 to 8 of Convention No. 138 of the International Labour Organization of 26 June 1973 concerning the Minimum Age for Admission to Employment (Federal Law Gazette 1976 II pp. 201, 202).
- 1.2. The prohibition of the worst forms of child labour for children under 18 years of age; in accordance with Article 3 of Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291) this includes:
 - 1.2.1. all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, including the forced or compulsory recruitment of children for use in armed conflicts;

- 1.2.2. the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
 - 1.2.3. the use, procuring or offering of a child for illicit activities, in particular for the production of or trafficking in drugs;
 - 1.2.4. work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children.
- 1.3. The prohibition of the employment of persons in forced labour; this includes any work or service that is required of a person under threat of punishment and for which he or she has not made himself or herself available voluntarily, for example, as a result of debt bondage or trafficking in human beings; excluded from forced labour are any work or services that comply with Article 2(2) of Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II pp. 640, 641) or with Article 8(3) nos. 2 and 3 of the International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II pp. 1533, 1534).
 - 1.4. The prohibition of all forms of slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workplace environment, such as extreme economic or sexual exploitation and humiliation.
 - 1.5. The prohibition of unequal treatment in employment, for example on the grounds of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion, or belief, unless this is justified by the requirements of the employment; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value.
 - 1.6. The prohibition of disregarding the occupational safety and health obligations applicable under the law of the place of employment if this gives rise to the risk of accidents at work or work-related health hazards, due to:

- 1.6.1. obviously insufficient safety standards in the provision and maintenance of the workplace, workstation and work equipment;
 - 1.6.2. the absence of appropriate protective measures to avoid exposure to chemical, physical or biological substances;
 - 1.6.3. the lack of measures to prevent excessive physical and mental fatigue, through inappropriate work organisation in terms of working hours and rest breaks; or
 - 1.6.4. the inadequate training and instruction of employees.
- 1.7. The prohibition of disregarding the freedom of association, according to which
 - 1.7.1. employees are free to form or join trade unions;
 - 1.7.2. the formation, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation;
 - 1.7.3. trade unions are free to operate in accordance with the applicable law of the place of employment; this includes the right to strike and the right to collective bargaining.
- 1.8. The prohibition of withholding an adequate living wage; the adequate living wage amounts to at least the minimum wage as laid down by the applicable law and, apart from that, is determined in accordance with the regulations of the place of employment.
- 1.9. The prohibition of causing any harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption that

- 1.9.1. significantly impairs the natural bases for the preservation and production of food;
 - 1.9.2. denies a person access to safe and clean drinking water;
 - 1.9.3. makes it difficult for a person to access sanitary facilities or destroys them;
or
 - 1.9.4. harms the health of a person.
- 1.10. The prohibition of unlawful eviction and the prohibition of the unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person.
- 1.11. The prohibition of the hiring or use of private or public security forces for the protection of the enterprise's project if due to a lack of instruction or control on the part of the enterprise in the use of security forces
- 1.11.1. the prohibition of torture and cruel, inhuman or degrading treatment is disregarded;
 - 1.11.2. life or limb is injured; or
 - 1.11.3. the freedom of association and the right to organise are affected.
- 1.12. The prohibition of an act or omission in breach of a duty that goes beyond no 2 (a) - (k) LkSG, which is directly capable of impairing a protected legal position in a particularly serious manner, and the unlawfulness of which is obvious upon reasonable assessment of all circumstances in question.
- 1.13. The prohibition of the manufacture of mercury-added products pursuant to Article 4(1) and Annex A Part I of the Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II pp. 610, 611) (Minamata Convention).

- 1.14. The prohibition of the use of mercury and mercury compounds in manufacturing processes within the meaning of Article 5(2) and Annex B, Part I of the Minamata Convention from the phase-out date specified in the Convention for the respective products and processes.
- 1.15. The prohibition of the treatment of mercury waste contrary to the provisions of Article 11(3) of the Minamata Convention.
- 1.16. The prohibition of the production and use of chemicals pursuant to Article 3(1)(a) and Annex A of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II pp. 803, 804) (POPs Convention), last amended by the decision of 6 May 2005 (Federal Law Gazette 2009 II pp. 1060, 1061), in the version of Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169 of 26 May 2019, pp. 45-77), as last amended by Commission Delegated Regulation (EU) 2021/277 of 16 December 2020 (OJ L 62 of 23 February 2021 pp. 1-3).
- 1.17. The prohibition of the handling, collection, storage, and disposal of waste in a manner that is not environmentally sound in accordance with the regulations in force in the applicable jurisdiction under the provisions of Article 6(1) (d) (i) and (ii) of the POPs Convention.
- 1.18. The prohibition of exports of hazardous waste within the meaning of Article 1(1) and other wastes within the meaning of Article 1(2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II pp. 2703, 2704) (Basel Convention), as last amended by the Third Ordinance amending Annexes to the Basel Convention of 22 March 1989 of 6 May 2014 (Federal Law Gazette II pp. 306, 307), and within the meaning of Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (OJ L 190 of 12 July 2006 pp. 1-98) (Regulation (EC) No 1013/2006), as last

amended by Commission Delegated Regulation (EU) 2020/2174 of 19 October 2020 (OJ L 433 of 22 December 2020 pp. 11-19);

- 1.18.1. to a party that has prohibited the import of such hazardous and other wastes (Article 4 (1) (b) of the Basel Convention);
 - 1.18.2. to a state of import as defined in Article 2 no.11) of the Basel Convention that does not consent in writing to the specific import, in the case where that state of import has not prohibited the import of such hazardous wastes (Article 4(1) (c) of the Basel Convention);
 - 1.18.3. to a non-party to the Basel Convention (Article 4(5) of the Basel Convention);
 - 1.18.4. to a state of import if such hazardous wastes or other wastes are not managed in an environmentally sound manner in that state or elsewhere (Article 4(8) sentence 1 of the Basel Convention).
- 1.19. The prohibition of the export of hazardous wastes from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII (Article 4A of the Basel Convention, Article 36 of Regulation (EC) No 1013/2006).
- 1.20. The prohibition of the import of hazardous wastes and other wastes from a non-party to the Basel Convention (Article 4(5) of the Basel Convention).