Declaration of principle

of N3 Engine Overhaul Services GmbH & Co. KG

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Table of contents:

Commitment of N3 Engine Overhaul Services GmbH & Co. KG to human rights

N3 Engine Overhaul Services GmbH & Co. KG's expectations of employees and suppliers

Procedures of N3 Engine Overhaul Services GmbH & Co. KG to fulfil its due diligence obligations

1. **Risk management**
2. **Risk analyses and priority risks**
3. **Preventive measures**
4. **Remedial measures**
5. **Effectiveness monitoring and continuous improvement**
6. **Complaints options**
7. **Documentation and reporting**

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Commitment of N3 Engine Overhaul Services GmbH & Co. KG to respect human rights

N3 Engine Overhaul Services GmbH & Co KG (N3) is a joint venture company of Lufthansa Technik AG and Rolls-Royce plc. On the compliance side, N3 is affiliated with Lufthansa Technik AG and thus also with the Lufthansa Group. N3 works closely with the Lufthansa Group within the scope of supply chain due diligence.

As a company that stands for cosmopolitanism, tolerance and diversity, we see it as our responsibility to uphold human rights and act as sustainably as possible.

The protection of human rights is not a matter of course in all countries with which we have a business relationship. We cannot control the political development of these countries. However, we can contribute to respecting human rights by recognising human rights and environmental risks in our business area and also in our supply chain and preventing violations.

We therefore select our suppliers carefully and contractually oblige them to comply with human rights, labour and health standards and environmental protection. We check any cases of doubt.

Embedding human rights and sustainability in our business processes and our global supply chain is an ongoing task. In doing so, we are guided by

- key international conventions and declarations such as the Universal Declaration of Human Rights,
- the International Covenant on Civil and Political Rights,
- the International Covenant on Economic, Social and Cultural Rights,
- the core labour standards of the International Labour Organization (ILO),
- the UN Guiding Principles on Business and Human Rights,
- the 10 principles of the UN Global Compact,
- the OECD Guidelines for Multinational Enterprises,
- the IATA resolution on combating human trafficking
- and environment-related agreements such as the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants and the Basel Convention on the Transboundary Movement of Hazardous Wastes.

In conjunction with the requirements of the German Supply Chain Duty of Care Act (LkSG), they form the framework for our corresponding actions.

N3 always complies with applicable national law. In cases where international human rights are restricted by local laws, we endeavour to comply with internationally recognised standards without conflicting with local laws. Where local laws go beyond international standards, N3 will comply with local laws.

N3's expectations of employees and suppliers

N3 expects its employees and suppliers to respect human and environmental rights and to support N3 in preventing, minimizing, and/or ending risks and violations related to human and environmental rights.

The expectations of N3's own employees and managers are set out in particular in the N3 Code of Conduct. https://www.n3eos.com/en/company/compliance

The expectations of supplier behaviour are summarised in particular in our Supplier Code of Conduct. https://www.n3eos.com/en/company/compliance

N3 also expresses expectations, particularly with regard to prioritised risks, through more extensive preventive and remedial measures (see below).

N3's procedures to fulfil its due diligence obligations

1. **Risk management**

Together with the Lufthansa Group, N3 has set up a risk management system with the aim of recognising, preventing or ending human rights and environmental risks and violations of legal interests along the supply chain.

To this end, N3 has established the following clear internal responsibilities in particular:

In order to monitor risk management, a human rights officer was created as a staff function with a direct reporting line to the N3 managing directors. The N3 Human Rights Officer is part of the N3 "LkSG Coordinators" team. The "LkSG Coordinators" team has the following members: Representatives from direct purchasing, from indirect purchasing and the Human Rights Officer. The LkSG coordinator team deals with the topics of "human rights" and "due diligence obligations in the supply chain".

Within the Lufthansa Group (LHG), two teams are responsible for implementing the LkSG. The LHG **Human Rights & Non-Discrimination Team** coordinates compliance with human rights and environmental obligations within the Lufthansa Group. The LHG **Group Procurement Team** is responsible for these processes with regard to our suppliers and the supply chain. The two teams are supported by contact persons from specialist departments such as Occupational Health and Safety, Human Resources, Compliance and Procurement as well as by key accounts in individual prioritised Lufthansa Group companies. This network can be continuously expanded based on the results of the risk analysis.

N3 works very closely with the LHG **Human Rights & Non Discrimination Team** and the LHG **Group Procurement** Team.

2. Risk analyses and priority risks

N3 carries out human rights and environmental risk analyses annually and on an ad hoc basis. In 2025, 1040 suppliers were included in the annual risk analysis. Software is used to assist in the appropriate identification, weighting and prioritisation of risks for the large number of suppliers. Suppliers are subjected to a country, sector and media information screening. In our own business area, the plausibility of the identified risks is checked using surveys and company statistics. In addition to external data sources, internal findings such as information received via internal reporting channels, including the anonymous whistleblower system, are also taken into account.

The identified risks are then weighted and prioritised, taking into account the appropriateness criteria of the LkSG, such as N3's ability to influence a supplier.

With companies and suppliers that have a prioritised human rights or environmental risk, N3 takes preventive measures to prevent violations. If violations are identified, N3 stops the violation as quickly as possible or creates a remediation concept - depending on where and which violation occurs.

The N3 human rights officer informs the N3 managing directors annually about the results of the risk analysis. The results are also communicated to the Works Council and the Economic Committee.

N3 considers the ban on unequal treatment in employment to be relevant in its own business area and the harmful changes to soil/water/air, noise and excessive water consumption to be relevant in the supply chain.

N3 addresses these risks primarily through the preventive measures described below .

3. Preventive measures

Together with the Lufthansa Group, N3 pursues a two-pronged strategy to protect human and environmental rights: Firstly, it aims to prevent risks from arising in the first place. On the other hand, it aims to respond to structural risks identified in the risk analysis with appropriate measures and to prevent or at least minimise adverse effects on human rights and the environment.

Risks are to be prevented from arising in the company's own business area primarily through regular awareness-raising campaigns, a wide range of complaint options and a broad range of counselling services provided by the Lufthansa Group Human Rights & Non-Discrimination Team. N3 has also adapted its procurement processes so that, for example, sustainability criteria already play a key role in the selection of suppliers and suppliers are generally checked for compliance with human rights, labour and environmental standards and integrity before contracts are concluded. Suppliers are also contractually obliged to protect human rights and the environment.

A portfolio of measures has been developed to prevent, stop or minimise the priority risks of N3 in particular, which includes the following measures in particular:

Training measures and dialogue

In order to raise awareness of human rights and environmental due diligence obligations, online training courses as well as face-to-face training and dialogue formats are used. For classroom training and dialogue formats, N3 uses classroom training and dialogue formats

conducted by the LHG Human Rights & Non-Discrimination Team and the LHG Group Procurement Team.

For example, an online human rights training programme was developed that is to be completed by relevant business areas such as Purchasing and Human Resources as well as identified suppliers on a risk-based basis. A newly developed online training programme to promote diversity, inclusion and intercultural skills is also used in a risk-based manner.

One focus of the LHG Human Rights & Non-Discrimination Team is on the classroom training of identified target groups in human rights due diligence and the continuous development of training and communication concepts.

In order to anchor measures in the supply chain, N3 and the LHG Group Procurement Team maintain a close dialogue with risk-prioritised suppliers. These are specifically surveyed using standardised questionnaires, among other things.

Codes of conduct and contractual measures

N3 has summarised the expectations with regard to respecting human rights and protecting the environment in two codes of conduct: in a code addressed to managers and employees of N3 and in a code addressed to suppliers. https://www.n3eos.com/en/company/compliance Both codes meet the requirements of the LkSG.

The rules of behaviour are actively communicated. A detailed corporate social responsibility clause is negotiated in supplier contracts, which combines N3's expectations with rights and obligations and in which suppliers are also requested to pass on the expectations placed on them to their own suppliers.

Control measures

Audits are carried out by external auditors on a risk-based basis for direct suppliers and on an ad hoc basis for indirect suppliers.

4. Remedial measures

If N3 identifies an actual or imminent violation of human rights or environmental obligations, we will immediately take appropriate remedial action together with the Lufthansa Group. If an immediate termination, prevention or minimisation of a violation at a supplier is not possible, N3 will draw up and implement an appropriate remedial and/or preventive concept together with the Lufthansa Group.

When creating and implementing the concept, particular consideration is given to (1) the joint development and implementation of a plan to end or minimise the breach with the company causing the breach, (2) joining forces with other companies as part of industry initiatives and industry standards in order to increase the possibility of influencing the perpetrator and (3) temporarily suspending the business relationship while efforts are made to minimise the risk. As a last resort, N3 reserves the right to terminate business relationships.

5. Effectiveness monitoring and continuous improvement

In order to effectively prevent negative human rights or environmental impacts, N3 reviews the effectiveness of its preventive and remedial measures and makes any necessary adjustments. To this end, information from those affected is analysed, feedback from target groups is obtained and random samples and regular audits are carried out. In addition, dialogue is actively sought with internal interest groups such as employee groups and employee representatives as well as external stakeholders.

6. Complaints and grievance options

In order to protect those affected and recognise structural risks at an early stage, N3 relies on information. Anyone - whether N3 employees or external whistleblowers such as employees of a supplier or affected persons - can report human rights and environmental risks or violations caused by N3 or one of its suppliers to the LHG Human Rights & Non-Discrimination Team. This is possible, for example, directly by e-mail, via an electronic whistleblowing system or via an external ombudsperson. The complaints channels are available in various languages.

Every report is examined impartially and in a confidential manner. Reports can also be submitted anonymously via the electronic whistleblower system or the ombudsperson. N3 is expressly committed to protecting whistleblowers from reprisals and discrimination.

N3 reviews the effectiveness of the complaints procedure at least once a year and on an ad hoc basis, e.g. with regard to the necessary communication of the complaints procedure.

All information on the complaints procedure, including the reporting channels, is summarised in the rules of procedure and published on the N3 website.

https://www.n3eos.com/en/company/compliance

QR code for the electronic whistleblowing system

7. Documentation and reporting

N3 continuously documents the fulfilment of its human rights and environmental due diligence obligations in accordance with the requirements of the LkSG. N3 reports on how it fulfils its due diligence obligations, on the priority risks and on the expectations of employees and suppliers in this policy statement, which is updated annually and as required. Each year, we publish our annual report. As a globally operating company, we also issue an annual UK Modern Slavery Act Statement and a Canadian Fighting Against Forced Labour and Child Labour in Supply Chains report. All reports are published on the Internet.

https://www.n3eos.com/en/company/compliance

Contact us

For questions and comments on this policy statement or other human rights or environmental issues, please contact ESG@n3eos.com

Further information is published on the N3 website.
https://www.n3eos.com/unternehmen/compliance

Arnstadt, 12.11.2025

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