Lufthansa Technik Philippines

Lufthansa Technik Philippines, Inc.
MacroAsia Special Economic Zone
Villamor Air Base, Pasay City 1309 Philippines

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

Lufthansa Technik Philippines, Inc.

Introduction

The respect for human rights is self-evident and forms an integral part of the corporate culture of Lufthansa Group [1] as a group of companies that acts with responsibility and integrity. Modern slavery is a crime and a violation of fundamental human rights. We are committed to improve our practices to combat modern slavery and human trafficking. Our statement outlines the steps we have taken to prevent Modern Slavery within our Group and our supply chains and sets out our plans for future improvements.

This statement corresponds to section 54 (1) of the Modern Slavery Act 2015 (United Kingdom) and constitutes our Group's slavery and human trafficking statement for the financial year ending December 31 st, 2022.

In conformity with section 54 of the Act, in this statement we report about:

I. About Lufthansa - our organizational structure
II. Our policies regarding Modern Slavery and Human Trafficking
III. The Human Rights Working Group and further safeguarding measures
IV. The IATA resolution on Human Trafficking
V. Our supply chains
VI. Our further steps to prevent Modern Slavery
VII. The approval for this statement

[1] Lufthansa Group means Deutsche Lufthansa AG and its related bodies corporate, as defined in Section 18 of the German Stock Corporation Act (Aktiengesetz).

For corporate details please turn over.

About Lufthansa Technik Philippines (LTP) — our organizational structure

Lufthansa Technik Philippines is part of the Lufthansa Group. The Lufthansa Group is an aviation group with worldwide operations and 109,509 employees and 639 subsidiaries and equity investments as of December 31 st 2022.

The Lufthansa Group is an aviation group with operations worldwide. It consists of the business segments Passenger Airlines, Logistics, MRO and Catering, as well as Additional Businesses and Group Functions.

Passengers Airlines

The Passenger Airlines segment includes, on the one hand, the network airlines Lufthansa German Airlines, SWISS, Austrian Airlines and Brussels Airlines. Lufthansa German Airlines also includes the regional airlines Lufthansa CityLine, Air Dolomiti and Eurowings Discover, the Lufthansa Group's holiday airline.

MRO

Lufthansa Technik is the world's leading independent provider of maintenance, repair and overhaul services for civil commercial aircraft. Lufthansa Technik AG serves more than 800 customers worldwide, including OEMs, aircraft leasing companies, operators of VIP jets and governments, as well as airlines.

Logistics

In addition to Lufthansa Cargo AG, the Logistics segment includes the airfreight container management specialist Jettainer group, the time: matters subsidiary, which specialises in particularly urgent consignments, the subsidiary Heyworld, which specialises in tailored solutions for the e-commerce sector, and the investment in the cargo airline AeroLogic.

Catering

The I-SC group offers a comprehensive range of products, concepts and services related to in-flight service as well as for other areas, such as retail and food producers. LSG Sky Chefs is a global food specialist with the highest hygiene and quality standards for airlines, the home delivery market and retail.

Additional Businesses and Group Functions

Additional Businesses and Group Functions include the Group's service and financial companies, above all AirPlus, Lufthansa Aviation Training and Lufthansa Systems, as well as the Group Functions for the Lufthansa Group.

Further information regarding the company's structure is described in detail on the Lufthansa Group's corporate website.

2 Our policies regarding Modern Slavery and Human Trafficking

As a participant of the UN Global Compact since 2002, the Lufthansa Group attaches great importance in conducting its business in line with internationally acknowledged principles and is committed to embedding respect for human rights as an integral element of its corporate culture. The Group has a large, unionized workforce represented by a number of different trade unions.

Our Group Companies consult with employee representative bodies, including trade unions and works councils.

The binding Code of Conduct documents the values, principles and standards of conduct of the Lufthansa Group. Point 6 expressly states, "We respect and uphold the dignity of our employees, customers, and business partners. In all our actions, we ensure that we act in accordance with human rights, the principles of the UN Global Compact, and recognize international labor and social standards. In particular, we reject child labor, forced labor, and exploitation or discrimination of any kind." The Code of Conduct is binding for all bodies, managers and employees of the Lufthansa Group.

The companies are obliged to identify human rights risks and report the type and number of suspicious incidents. Individual complaints can be made by third parties to the external ombudsman - confidentially if requested.

In 2021, Lufthansa Group established an electronic whistleblower system in addition to the existing ombudsman system to facilitate the submission of compliance related hints. Lufthansa Group expanded this system in 2022 also to human rights related hints. An overview of all our whistleblowing channels and the Lufthansa Group's Rules of Procedure pursuant to Section 8 of the German Supply Chain Due Diligence Act is available on our website.

Employees of the Lufthansa Group can also report to their manager, human resources department or the employee representatives. A works agreement with regard to grievance procedures is already in place for all employees in Germany.

3 Our Human Rights Working Group and further safeguarding measures

A Human Rights Working Group was established within the Human Resources and Legal Affairs Division of the Executive Board in 2017 and comprises of representatives from all relevant corporate functions and Group companies based on the risk assesment. The project group monitors and discusses any potential high and extreme risk areas, incidents and actions in relation to human rights with the specific field of modern slavery. The Working Group meets generally twice a year to monitor the Group's progress in tackling modern slavery. In 2022 the role of a Human Rights Officer was established as well as a new team in the Labor Relations Ground department in order to coordinate the Lufthansa Group's activities regarding its human rights responsibility.

Based on an analysis carried out by Verisk Maplecroft, an advisory company with recently renewed contract, an overview of all Group companies operating in high-risk and extreme-risk countries was drawn up, i.e.,

countries where the risk of human rights violations is particularly high. The country overview is regularly updated and regular meetings serve to communicate information and develop a consistent, group-wide position and strategy. Managers and Human Resources departments at these companies are made aware of their duty of care to avoid human rights violations and the realization of risks due to modern slavery. A specific annex was added to the employment contracts with these managers. In addition, awareness is created by means of focused internal communication to all the employees in the Group. This includes a statement by the Executive Board member for Corporate Human Resources and Legal Affairs emphasizing the responsibility of the Lufthansa Group as a global company that respects human rights.

The German Supply Chain Due Diligence Act (LkSG) came into effect on January 1st 2023, and established further binding due diligence obligations for various companies of the Lufthansa Group. The obligations are intended to ensure that human rights are respected in the supply chain as well as within the corporation. In its application, the LkSG addresses 12 human rights-related and eight environmental risks. The human rights related risks, such as child labor, forced labor, slavery and slavery-like practices, are directly related to the measures and practices that the Lufthansa Group already undertakes today to prevent them. Due to the commitment of the Lufthansa Group from its Code of Conduct and the agreements referred to therein (such as the UN Global Compact), we decided to bundle the activities in this regard and also to take them into account in this statement.

4 The IATA resolution on Human Trafficking

As a signatory to the IATA Resolution against Trafficking in Persons, ensuring an environment that is free from modern slavery and human trafficking is a matter of course for the Lufthansa Group. The legal prosecution of human trafficking is the responsibility of governments and national law enforcement agencies. Nevertheless, the Lufthansa Group is aware of the importance of this topic and recognizes that as an aviation company it can play a significant role in identifying potential criminal offences. It has therefore implemented a reporting process for flagging suspected cases of human trafficking that has been coordinated with the authorities.

In accordance with IATA recommendations, the Lufthansa Group has integrated the topic into regular pilot and flight attendant training in 2019. These employee groups are made particularly aware of potential signs of human rights violations. Due to the Corona pandemic, trainings have been paused temporarily. Steering and developing the management approach is the responsibility of the Anti-Human Trafficking Task Force, established in 2018, in which all Group companies and relevant Group Functions are represented.

5 Our Supply Chains

Taking ESG aspects in the supply chain into account is an important element of acting responsibly. In addition to economic aspects, impacts on human rights and the environment are taken into consideration during the procurement process. To meet the standards the Lufthansa Group sets for the sustainability of its own products and services, the Lufthansa Group relies on close collaboration with suppliers who share and implement these

standards. This also forms part of the Lufthansa Group's Code of Conduct, which is available on the Lufthansa Group website.

The obligation to assume social and environmental responsibility is a key element of the Group procurement policy. The policy is to be understood as an overriding specification for all procurement units at Lufthansa Group majority shareholdings. In addition, it serves as a handbook and guideline for buyers and all employees with contacts to suppliers. Appropriate training is available to these employees and is mandatory for persons in management positions. Among other considerations, it requires that the following obligations be included in contracts with suppliers:

- compliance with the ten principles of the UN Global Compact;
- compliance with the basic principles of the International Labour Organisation (ILO);
- the right to consent to announced and unannounced audits by companies of the Lufthansa Group;
- the right to terminate the contract in the event that these contractual obligations are breached.

By imposing these obligations, the Lufthansa Group endeavours to ensure responsible practices by its direct suppliers to meet its own standards for corporate responsibility. The Lufthansa Group's expectations of its suppliers in terms of social, environmental and ethical responsibility are summarised and published in the Supplier Code of Conduct.

The goods and services which Lufthansa Group purchases are spread across product groups. These product groups undergo an annual risk assessment in order to identify the type and level of product group risks. Human rights, compliance and environmental risks are taken into account in this process. The risk assessment is included in the result of Group risk management. In order to identify these risks before a contract is awarded and to ensure compliance with the Lufthansa Group standards, the Lufthansa Group has established a supplier review process. If the initial assessment indicates that a supplier falls within a risk category (e.g., due to the country or product group), an in-depth review will be carried out, including external sources, if necessary. The review process is designed to help identify potential risks, determine what risk reduction measures are required or, in exceptional cases, prohibit cooperation with the supplier in question.

The inclusion of the obligation to assume social and environmental responsibility in supplier contracts is included in the target agreement of respective procurement managers. A monitoring process was established to review the implementation of this measure.

6 Our further steps to prevent Modern Slavery

The Lufthansa Group as a globally operating group of companies sees it as its responsibility to contribute. Companies do not control political developments in countries they operate in; however, they have a responsibility in the sphere of their work, especially towards their employees and suppliers worldwide. In the coming year, the Group will look to further improve its structures, practices and trainings to fight Modern Slavery and Human Trafficking.

7 Approval for this statement

On the 8th of June 2023, this statement was approved by the Board of Directors of LTP with respect to Financial Year 2022.



ELMAR LUTTER
President and CEO
Member of the Board of Directors