Lufthansa Technik 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 31st, 2023.

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

I. Deutsche Lufthansa AG – our organizational structure
II. Our Supply Chains
III. Our policies regarding Modern Slavery and Human Trafficking
IV. Our Human Rights Project Group
V. Due Diligence and Risk Assessment
VI. The IATA resolution on Human Trafficking
VII. Our further steps to prevent Modern Slavery
VIII. Approval for this statement

### 1. Lufthansa Technik Philippines, Inc. (LTP) – our organizational structure

LTP is part of the Lufthansa Group. The Lufthansa Group is an aviation group with worldwide operations and 96,677employees and over 400 Lufthansa Group companies and facilities within own business division as of December 31st, 2023.

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

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

Passengers Airlines

The Passenger Airlines segment includes, on the one hand, the network airlines Lufthansa Airlines, SWISS, Austrian Airlines, and Brussels Airlines. Lufthansa Airlines also has close relationship with the regional airlines Lufthansa CityLine, Lufthansa City Airlines, Air Dolomiti as well as Discover Airlines- the Lufthansa Group's holiday airline. Edelweiss, the leading Swiss holiday airline, is a sister company of SWISS. Furthermore, Eurowings also belongs to the Passenger Airlines segment.

MRO

Lufthansa Technik is the world's leading independent provider of maintenance, repair, and overhaul services for civilian commercial aircraft. Lufthansa Technik AG serves more than 800 customers worldwide, including OEMs, aircraft leasing companies, operators of VIP jets, governments, and armed forces, 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 Group, which specialises in particularly urgent shipments, the subsidiary Heyworld, which specialises in tailored solutions for the e-commerce sector, CB Customs Broker and the customs and customs clearance specialist.

Catering

On 4 April 2023, Deutsche Lufthansa AG signed an agreement with the private equity firm Aurelius on the sale of the LSG group. The sales transaction closed on 31 October 2023. The business of the LSG group consists of traditional catering and onboard retail along with food commerce activities. The sale of its Catering division forms part of the Lufthansa Group's strategy of focusing more on its core airline business. The European activities of the LSG group had already been sold off to gate group in 2019.

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 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. The Lufthansa Group's expectations of its suppliers regarding social, ecological, and ethical responsibility are summarized in the Lufthansa Group Supplier Code of Conduct. Both documents are 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.

By including obligations in contracts with suppliers, the Lufthansa Group endeavors to ensure responsible practices by its direct suppliers to meet its own standards for corporate responsibility and to prevent risks. The following obligations, among others, are requested to be included in contracts with suppliers:

- to comply with the 10 principles of the UN Global Compact
- to comply with basic principles of the International Labor Organization (ILO).
- to provide contractual services in compliance with the protected legal positions from the German Supply Chain Due Diligence Act (LkSG).
- Participate in training depending on risks
- to inform the Lufthansa Group about identified risks and measures taken
- to support prevention and remedial measures
- to inform its suppliers and employees about the Lufthansa Group complaints procedure
- to grant the right to carry out audits
- to grant the right to terminate the contractual relationship in the event of a breach of the agreements

In order to enable appropriate and effective risk management for the large number of centrally controlled existing suppliers, the Lufthansa Group uses an IT application that supports to identify potential human rights risks and environmental risks or violations.

In order to identify human rights, environmental, compliance and financial risks in the supply chain before contracts are awarded and to comply with group standards, the Lufthansa Group has established a supplier review process. If a supplier falls into a risk category in the first step of the review, e.g. because of the country

of origin or the product group, a more in-depth review will be carried out, including using external sources. The review process helps to identify potential risks before a contract is concluded, to determine necessary measures to minimize risks or, as a final measure, to prevent collaboration with the respective supplier.

## 3. Our policies regarding Modern Slavery and Human Trafficking

As a member 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 Lufthansa Group has a long tradition of working with its labour union partners in the works councils and trade unions, as well as in supervisory boards subject to co-determination rules. This practice is aimed at acting collectively based on mutual interests. The binding Code of Conduct documents the values, principles and standards of conduct of the Lufthansa Group. It is binding for all bodies, managers and employees of the Lufthansa Group. Furthermore, this Code of Conduct defines what we expect from our business partners, including our suppliers. A dedicated chapter for "Respect for human rights" expressly states:

"We want to promote human rights worldwide. We aim to anchor this expectation in the companies of the Lufthansa Group and their supply chain. Human rights include, in particular, prohibition of both child and forced labor and slavery, compliance with occupational health and safety obligations, respect for freedom of association, working conditions that are adequate and humane, and refraining from environmental pollution, land deprivation, torture and cruel, inhuman or degrading treatment."

Our suppliers are additionally subject to the Lufthansa Group's Supplier Code of Conduct, which build on the Lufthansa Group Code of Conduct and specifically mentions:

"Suppliers of the Lufthansa Group must not use or tolerate any form of (modern) slavery, servitude, forced or compulsory labor, human trafficking or comparable forms of exploitation, oppression or humiliation (ILO core labor standards 29 and 105). They must ensure that their employees carry out their work of their own free will and without restrictions to their freedom of movement. Our suppliers should actively campaign for the elimination of all forms of forced labor or slavery."

Moreover, in line with the German Act on Corporate Due Diligence Obligations in Supply Chain (Lieferkettensorgfaltspflichtengesetz - LkSG), which since 2023 has created an additional binding framework for compliance with human rights and environmental standards, the Executive Board of the Lufthansa Group has published a policy statement on respect for human and environmental rights. The Lufthansa Group seeks to prevent, minimize, and/or end risks and violations related to human and environmental rights within our own business area as well as our supply chain through preventive and remedial measures.

## Whistleblowing procedures

Companies are obliged to identify human rights risks and report the type and number of suspicious incidents. Employees of the Lufthansa Group as well as external third parties, such as customers or suppliers, have several options to file a complaint, also anonymously.

In 2021, Lufthansa Group established an electronic whistleblower system available in a variety of languages, 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 and environment- related hints. Lufthansa Group employees can also contact the Lufthansa Group Human Rights and Non-Discrimination Team, their supervisors, human resources management or the co-determination bodies directly. A works agreement with regard to grievance procedures is already in place for all employees in Germany.

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[2].

# 4. Our Human Rights Project Group

A Human Rights Project 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 assessment. The project group monitors and discusses any potential high and critical 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 human rights advancements. 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.

# 5. Due diligence and Risk assessment

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. Due to the commitment of the

[2] Whistleblowing System - Lufthansa Group Investor Relations

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.

The Lufthansa Group Human Rights and Non-Discrimination Team implemented a risk analysis for its own business division activities in the reporting year. Software was used to assist in the appropriate identification, weighing, and prioritization of risks given the large number of companies. In line with the German Supply Chain Due Diligence Act, the risk of human slavery was specifically included and considered as a dedicated category "Modern Slavery" during the risk analysis.

The risk was calculated on the basis of country and sector risk indicators and media reports. For companies in our own business division with a heightened level of risk, a more in-depth risk analysis was implemented based on surveys. In addition to external data sources, internal findings such as information received via Group reporting channels, including the anonymous whistleblower system, were also taken into account. In its own business division, the Lufthansa Group identified the prohibition of unequal treatment in employment to be particularly relevant. A portfolio of measures has been developed including inter alia documents raising awareness on complaints mechanisms and processes or web-based trainings. 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 Lufthansa Group uses audits to check for compliance with human rights and environmental due diligence obligations and whether the Lufthansa Group's risk management is appropriate. The audits are primarily carried out by Internal Audit. They can also be carried out by external auditors as warranted or on the basis of required specialist knowledge.

For the effective prevention of negative human rights or environmental impacts, the Lufthansa Group reviews the effectiveness of its preventive and remedial measures and makes any necessary adjustments. This includes evaluating information from affected parties, obtaining feedback from target groups, and conducting spot checks and audits. In addition, active exchange is sought with internal interest groups such as employee initiatives and employee representatives, as well as external stakeholders.

## 6. 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.

Moreover, the Lufthansa Group has developed a web-based training in order to integrate these issues into regular training for flight personnel, in accordance with IATA recommendations. These employee groups are made particularly aware of potential signs of human rights violations. A review is currently under way as to whether this training needs to be updated. If necessary, it will be revised in the following year. The ongoing development of the management approach for combating human trafficking is managed by the Lufthansa Group Human Rights and Non-Discrimination Team in close cooperation with the Lufthansa Group's Passenger Airlines and the relevant Group functions.

## 7. 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 the 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.

## 8. Approval for this statement

On May 31, 2024, this statement was approved by the Board of Directors with respect to the Financial Year 2023.

**HOLGER BECK**
Member of the Board of Directors
President and Chief Executive Officer