

XEOS sp. z o.o.

A joint Venture of Lufthansa Technik & GE Aviation

## MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

### Introduction

The respect for human rights is self-evident and forms an integral part of the corporate culture of Lufthansa Group 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 improving 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 31.12.2019.

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

- I. 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

### Remark

Due to the challenges occurring by the coronavirus pandemic and related reduced staff capacity as result of the applied short-term work, Lufthansa Technik AG was not able to publish the statement by June 30th 2020.

### 1 Organisational structure

As a joint venture of Lufthansa Technik and GE Aviation (51% and 49% respectively), XEOS sp. z o.o. is a part of the Lufthansa Group. The Lufthansa Group is an aviation group with worldwide operations and 138,353 employees and more than 580 subsidiaries and equity investments as of 31.12.2019.

The portfolio of Lufthansa Group comprises the business segments Network Airlines, Eurowings and Aviation Services. All business segments rank among the leading providers in their respective industries.

The business segment Network Airlines comprises the companies Lufthansa, SWISS and Austrian Airlines. They offer their customers a premium product and, thanks to the multi-hub strategy, a comprehensive route network combined with the highest degree of travel flexibility.

The business segment Eurowings comprises the flight operations of Eurowings and the equity investment in SunExpress. They offer an innovative and competitive product for price-sensitive and service-oriented customers in the growing direct-traffic segment. The integration of Brussels Airlines into Eurowings was stopped in the course of the reporting year. Brussels Airlines will instead move closer to Network Airlines and report as part of this business segment from the 2020 financial year onward.

The companies in the business segment Aviation Services are leaders in their worldwide markets and strengthen the portfolio of the Lufthansa Group. They include the business segments

- Logistics,
- MRO (Maintenance, Repair and Overhaul) and
- Catering

as well as other companies and Group functions. Further information regarding the company's structure are described in detail on the Lufthansa Group's corporate website.

In 2019, Lufthansa Group carries over 145 million passengers each year with currently 763 aircraft flying to 318 destinations in 102 countries (data in relation to summer flight schedule 2019).

## 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 labour and social standards. In particular, we reject child labour, forced labour, 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 also be made by third parties to the external ombudsman – confidentially if requested. 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 head office functions as well as Group companies that are potentially at risk. 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 slavery.

Based on an analysis carried out by Verisk Maplecroft, an advisory company, 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 are particularly high. The country overview is regularly updated and regular meetings serve to communicate information and develop a uniform, Group-wide position and strategy. Managers and Human Resources departments at these companies should be made aware of their duty of care to avoid human rights violations and the realization of risks due to modern slavery. A specific annex is added to the employment contracts with these managers. In addition, awareness is created by means of focused internal communications 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.

### 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.

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. 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

In 2019, the Lufthansa Group has more than 40,000 suppliers. The annual procurement volume is about 22 billion Euros. To meet the standards it sets for sustainability of its own products, the Lufthansa Group relies on close co-operation with suppliers who share and implement these standards. This approach is also part of the Lufthansa Group's Code of Conduct. The Lufthansa Group expects from its suppliers that they fully comply with current law, guidelines and regulations concerning fair competition, integrity and responsible practices.

The Group procurement policy includes the obligation to assume social and ecological responsibility. It is to be understood as an overriding specification for all procurement guidelines at the Group companies. In addition, it serves as a handbook for buyers and all employees with contacts in the procurement markets. Among other considerations and to the extent permitted by the competition, it requires that these obligations be included in contracts with suppliers:

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

By imposing these obligations, the Lufthansa Group endeavors to ensure responsible practices by its direct suppliers and therefore meets its own standards for corporate responsibility. The Lufthansa Group's expectations on its suppliers in terms of social and ecological responsibility were summarized and published in a Supplier Code of Conduct in 2019.

To identify the type and level of supplier risks, the procurement units responsible for product groups carried out a risk assessment for the suppliers. The outcome is included in the result of Group risk management. In addition, risk analyses based on expenditure and country were performed in 2019 for all direct suppliers. Suppliers in extreme risk countries were identified based on Verisk Maplecroft in order to develop plans for measures that can be taken.

## 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 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 December 23<sup>rd</sup>, 2020, this statement was approved by the Managing Directros of XEOS sp. z o.o. with respect to the Financial Year 2019.

Thomas Böttger

Stefan Schmuck

Managing Director of Business

Managing Director of Operations

