

HAWKER PACIFIC AEROSPACE

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

Introduction

Respect for human rights is self-evident and forms an integral part of the corporate culture of Lufthansa Group¹ 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 is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31.12.2018.

Organizational structure

Hawker Pacific Aerospace is part of the Lufthansa Group. The Lufthansa Group is an aviation group with worldwide operations and 135,534 employees and more than 550 subsidiaries and affiliated companies as of 31.12.2018.

The portfolio of Lufthansa Group comprises the Network Airlines, the Eurowings Group and Aviation Services. 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 Group comprises the flight operations of the Eurowings Group as well as Brussels Airlines 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. Lufthansa Group carries over 142 million passengers each year with currently 7b3 aircraft flying to 343 destinations in 103 countries.

The 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], Catering as well as other companies and Group functions. Further information regarding the Company's Structure may be found via the following link:

<https://www.lufthansagroup.com/en/responsibility/sustainability-reports.html>

Policies

As a participant of the UN Global Compact since 2002, the Lufthansa Group attaches great importance to 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

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

large unionised 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 recognise 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 so desired. 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.

Human Rights Working Group

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 at least 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 realisation of risks due to modern slavery. From this year onwards, a specific annex will successively be added to the employment contracts with these managers. In addition, awareness is created by means of focused intranet communications to all the employees in the Group. This includes a statement by the Executive Board member for Corporate Human Resources and Legal Affairs, emphasising the responsibility of the Lufthansa Group as a global company that respects human rights.

IATA Resolution on Human Trafficking

In the reporting year, the Lufthansa Group also signed the Resolution against Trafficking in Persons from the International Air Transport Association (IATA). It supports this industry initiative, in particular by making operational staff, cabin crew and ground staff at the stations aware of the issue of human trafficking.

Our Supply Chains

The Lufthansa Group has more than 40,000 suppliers. The annual procurement volume is about 18 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, 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 practice by its direct suppliers and therefore meets its own standards for corporate responsibility.

Further Steps to Prevent Modern Slavery

The Lufthansa Group as a globally operation group of companies, sees it as tis responsibility to make a contribution. 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 training to combat Modern Slavery and Human Trafficking.

Approval for this statement

This statement was approved by the Members of the Executive Board with respect to the Financial Year 2018.



Jorge Carranza Tornell

CFO and Compliance Officer

Hawker Pacific Aerospace