

## Spairliners GmbH – 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<sup>1</sup> 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<sup>st</sup>, 2023.

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

- I. About Spairliners as part of the Lufthansa Group – our organizational structure
- II. Our Supply Chains
- III. Our policies regarding Modern Slavery and Human Trafficking
- IV. The 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. The approval for this statement

### 1 About Spairliners – Organizational Structure

Spairliners was founded in 2005 as an independent company to provide comprehensive support to Airbus A380 operators in all market regions. The joint venture between two leading MRO providers – between Air France Industries KLM Engineering & Maintenance and Lufthansa Technik – is fully committed to supporting this aircraft type in the aftermarket. Spairliners is the only company worldwide that integrates repair processes, supply chain management, pool access and asset management in one solution designed specifically for these two aircraft types. Spairliners distributes serviceable aircraft parts from its central logistics centers and component pools in Paris, Frankfurt, Munich, Singapore, and Fort Lauderdale.

Spairliners is backed by two well-known MRO companies: Air France Industries KLM Engineering & Maintenance and Lufthansa Technik. Both MRO companies benefit from their

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



proximity to world-leading airline groups. Our shareholders represent a global base of major airline customers and look back on many years of experience in technical aircraft support.

## 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, Spairliners as part of 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, Spairliners as part of 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 Spairliners about identified risks and measures taken
- to support prevention and remedial measures
- to inform its suppliers and employees about Spairliners 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

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.



To identify human rights, environmental, compliance and financial risks in the supply chain before contracts are awarded and to comply with group standards, Spairliners as part of 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.

Spairliners consults with the People of Trust (PoT) - our employee representative body. We recognize international labor and social standards. We reject child labor, forced labor, and exploitation or discrimination of any kind. Employees of Spairliners can report to their manager, human resources, or the People of Trust. A Human Resources Manual and our Anti-Harassment Policy describe the way we are working together, and it states that we treat each other with respect, dignity, and courtesy as well as that we ensure the safety of all our employees, workers, and visitors. This includes but is not limited to our suppliers.

The binding code of conduct documents the values, principles, and standards of conduct of Spairliners as part of the Lufthansa Group. It is binding for all bodies, managers, and employees of Spairliners. 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 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 regarding 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<sup>2</sup>.

### **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 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 Lufthansa Group from its

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<sup>2</sup> [Whistleblowing System - Lufthansa Group Investor Relations](#)

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 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 based on 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 considered. 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 based on 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. As part of the Lufthansa Group this is applicable to Spairliners as well.

## **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 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 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 June 30th, 2024, this statement was approved by the Members of the Spairliners Board with respect to the financial year 2023.



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Managing Director & CFO



Abdelouahab El Fettouhi  
Managing Director & CEO