

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

Airfoil Services Sdn Bhd (ASSB) Annual Report

1. Structure, activities and supply chains

Airfoil Services Sdn Bhd is part of the Lufthansa Group. The Lufthansa Group is an aviation group with worldwide operations and 103,255 employees and over 340 Lufthansa Group companies and facilities within its own business division as of December 31st, 2025. The Lufthansa Group is an aviation group with operations worldwide. It consists of the business segments Passenger Airlines, Logistics and MRO, as well as Additional Businesses and Group Functions.

Passenger 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 German 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 manufacturer-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 and CB Customs Broker, a customs clearance specialist.

Additional Businesses and Group Functions

Additional Businesses and Group Functions include the Group's service companies Lufthansa Aviation Training, Lufthansa Industry Solutions 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 and the annual report¹.

¹ [Investor Relations - Lufthansa Group Investor Relations](https://investor-relations.lufthansagroup.com/fileadmin/downloads/en/financial-reports/annual-reports/LH-AR-2025-e.pdf) and investor-relations.lufthansagroup.com/fileadmin/downloads/en/financial-reports/annual-reports/LH-AR-2025-e.pdf



2. 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 protected legal positions
- to participate in training depending on risks
- to inform the Lufthansa Group about identified risks and measures taken
- to support prevention and remedial measures
- 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

3. Policies and due diligence processes in relation to forced labour and child labour

Responsible conduct in accordance with applicable laws and internationally recognized standards, while respecting human rights, is a core aspect of the corporate culture of the Lufthansa Group. As a participant in the UN Global Compact (UNGC), the Lufthansa Group attaches great importance to aligning its business with the internationally acknowledged principles laid down in the Compact. The Company reports on this in the annual progress report which it delivers to the UNGC.

Acting with integrity and in accordance with internationally acknowledged values and standards requires that all board members, managers, and employees comply with applicable laws, internal regulations and voluntary commitments at all times. By adopting a Code of Conduct, the Executive Board of Deutsche Lufthansa AG has created a framework through which all business decisions are made. The principles set out in the Code of Conduct include corporate responsibility for society and the environment, business activities based on integrity and responsibility for the company and its resources. These principles constitute the foundation of the Lufthansa



Group's value system and define guidelines for the actions of its boards, managers and employees². 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.³"

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 make use of child labor, especially not the worst forms of child labor. They should actively promote the elimination of child labor (ILO core labor standards 138 and 182). 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.⁴"

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. It describes how the Lufthansa Group fulfils its due diligence requirements, which high-priority human rights- and environment-related risks have been identified on the basis of the risk analysis and which human rights- and environment-related expectations apply to the employees of the Lufthansa Group and its suppliers. 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.

4. Forced labour and child labour risks assessment and effectiveness check

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 Lufthansa Group Human Rights and Non-Discrimination Team implemented a risk analysis for over 340 Lufthansa Group companies within own business division and for more than 56,000 suppliers 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

² Lufthansa Group, *Code of Conduct Our Ethical Compass 2024* < [20240201_LH_Code-of-Conduct_210x297_EN.indd \(lufthansagroup.com\)](#)>

³ Ibid, p.10

⁴ Lufthansa Group, *Suppliers Code of Conduct, Ethical Compass for Our Suppliers*, p.5, 2024 < [LHG-Code-of-Conduct-Supplier-20231219-EN.pdf \(lufthansagroup.com\)](#)>



of child labor as per s.2 (2) 2 (a)-(d)⁵ and the risk of forced labor as per s.2 (2) 3⁶ were both explicitly considered in the risk assessment.

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. The Lufthansa Group prioritizes the risks of disregarding occupational health and safety, and freedom of association based on the results of the overall risk analysis. Additionally for the own business division, the risk of unequal treatment in employment as indicated by the classification of grievances received. A portfolio of measures has been developed including inter alia specific policies and processes, minimum standards and trainings' formats. In addition, awareness is created by means of internal and external communication. This includes a statement by the Executive Board member for Corporate Human Resources, Legal and Infrastructure emphasizing the responsibility of the Lufthansa Group as a global company that respects human rights.

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.

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.

5. Due diligence - measures

⁵ the prohibition of the worst forms of child labour for children under 18 years of age; in accordance with Article 3 of Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291) this includes: a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, as well as forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflicts, b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances, c) the use, procuring or offering of a child for illicit activities, in particular for the production of or trafficking in drugs, d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children;

⁶ the prohibition of the employment of persons in forced labour; this includes any work or service that is required of a person under threat of punishment and for which he or she has not made himself or herself available voluntarily, for example as a result of debt bondage or trafficking in human beings; excluded from forced labour are any work or services that comply with Article 2 (2) of Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II p. 640, 641) or with Article 8 (3) (b) and (c) of the International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II pp. 1533, 1534);



If the Lufthansa Group detects an actual or imminent violation of human rights or environmental obligations, it introduces appropriate remedial and preventive measures.

Preventive or remedial action may include requesting a statement from the supplier regarding a potential violation, reaching an agreement on further contractual measures to prevent a violation, auditing the supplier's activities, or imposing adequate training.

In cases when it is not possible to eliminate, prevent or minimise a violation in relation to a supplier, the Lufthansa Group develops and implements an appropriate remedial and/or preventive policy. Various measures are considered when developing and implementing a remedial policy. The first step is to develop and implement a plan to eliminate or minimise the violation together with the responsible company. To reduce risk, the business relationship may be temporarily suspended. As a last resort, the Lufthansa Group reserves the right to terminate the business relationship.

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 by the electronic whistleblowing system available in a variety of languages or to the ombudsman. Grounds that one can submit their report based on, explicitly mention child labour and forced labour or modern slavery as a category⁷.

Lufthansa Group employees can also contact the Lufthansa Group Human Rights Office, their supervisors, human resources management or the co-determination bodies directly. Several works' agreements with regard to grievance procedures is already in place.

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 website⁸.

6. Remediation of loss of income

Not Applicable

7. Training

Online, as well as face-to-face training and dialog formats conducted by the Human Rights & Non-Discrimination Team are used to raise awareness of human rights and environmental due diligence obligations within own employees. An online training course on human rights was developed, which must be completed on a risk-related basis by relevant business divisions, as well as by identified suppliers. The Human Rights & Non-Discrimination Team and the Group Procurement Team continue their training, for example by regularly participating in the corporate level exchange formats.

⁷ [Whistleblowing System - Lufthansa Group Investor Relations](#)

⁸ Ibid.



The Lufthansa Group has introduced a web-based training “Human Rights Due Diligence” in the reporting year, which is intended to provide basic knowledge and raise awareness on the topic of human rights, the identification of risks and violations, and reporting channels. The content of the training covers:

- Human rights (including child and forced labor) and environmental obligations
- Guidelines and Declaration of Human Rights
- National laws
- Detecting incidents of human trafficking
- Reporting incidents - #SpeakUp


Additionally for employees with purchasing tasks:

- Risk management, prevention and procedure in the event of violations
- Contracts (specific clauses)
- Remedial and preventive actions
- Responsibilities - Risk management in purchasing

8. Approval and attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Airfoil Services Sdn Bhd.

DocuSigned by:

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Derrick Siebert, ^{29/5/2026}

Chairman of the Board of Directors