

# HUMAN RIGHTS REPORT

2023





## DEAR READER,

As a cargo carrier serving an extensive international network, it is our responsibility to ensure our operations respect Human Rights and create value for society. Air cargo is a central component of the global supply chain and air freight operators are in the middle of a vast and complex logistics industry.

As a responsible corporate citizen, Cargolux has established a comprehensive compliance program encompassing Human Rights. The extensive Know Your Customer (KYC) process, for example, enables the airline to assess its customers' engagements and ensure they are aligned with our company values, including Human Rights. We take our responsibility to conduct ethical and fair business seriously, and support others within the supply chain to follow suit.

The KYC process is supported by stringent Compliance monitoring to ensure that all shipments and transshipments are not in breach of any regulations including sanctioned items and countries, and that all required documentation for shipments has been received and vetted. In addition to applicable regulations, we also apply our own self-imposed restrictions on what we carry on board our aircraft. Any deviation is investigated and, when required, entities are verified from shipper to consignee to cover the full scope of the transport. Cargolux refuses any transport of weapons and dual-use goods linked to entities suspected of maltreatment of individuals or governments notorious for breaching Human Rights. This engagement is complemented by a growing list of embargoed goods and countries which is continually reviewed and updated.

From an employer perspective, Cargolux is intent on ensuring fair and ethical treatment for all employees. We have a solid Occupational Health & Safety (OHS) program in place to ensure that the workplace is safe and risks of incidents and accidents are kept to a minimum. Most of our employees are covered by a Collective Work Agreement that goes beyond labor law in its guarantees towards personnel. A company-wide Human Rights program is under development to enhance our commitment.

Human Rights is a complex issue that is, at times, difficult to assess and monitor but Cargolux is committed to play its part in ensuring these fundamental rights are respected. We are increasingly taking steps in the right direction and raising awareness of this crucial topic.

Richard **FORSON**,  
*President & CEO*

**GOVERNANCE  
OF RESPECT  
FOR HUMAN RIGHTS**



*committed to  
sustainability*



## PUBLIC

## COMMITMENTS

Cargolux formalized its commitment to Human Rights in a declarative policy in 2021. The commitment aims to improve the visibility of this important topic within the company and to stress the importance of Human Rights for Cargolux.

The commitment was backed by the signing of Luxembourg's pact for Business and Human Rights in 2022. Cargolux is certified by Luxembourg's National Institute of Sustainable Development (INDR) for being a Socially Responsible Enterprise. The airline has also signed the Luxembourg Diversity Charter and the IATA 25 by 2025 commitment on gender equality.

**CARGOLUX  
HAS BEEN  
A SIGNATORY OF  
THE UN GLOBAL  
COMPACT  
SINCE 2007**






## TAKING ACTION

The Company is committed to respecting Human Rights as a whole, but it has defined two main areas of focus and action. On one hand, human rights related to employees, such as health & safety, ensuring diversity and equality while fighting all forms of discrimination and harassment. On the other hand, managing the impact that the company's operations may have on global communities.

As a service-based company, Cargolux recognizes the effect of its operation globally and thus the need to trace its impacts across its activities and value chain. A dedicated framework for Human Rights is part of the company's 2023 Sustainability Strategy and currently being developed.

**CARGOLUX  
RECOGNIZES  
THE EFFECT OF  
ITS OPERATION  
GLOBALLY  
AND THE NEED  
TO TRACE ITS  
IMPACTS ACROSS  
ITS ACTIVITIES  
AND VALUE CHAIN**

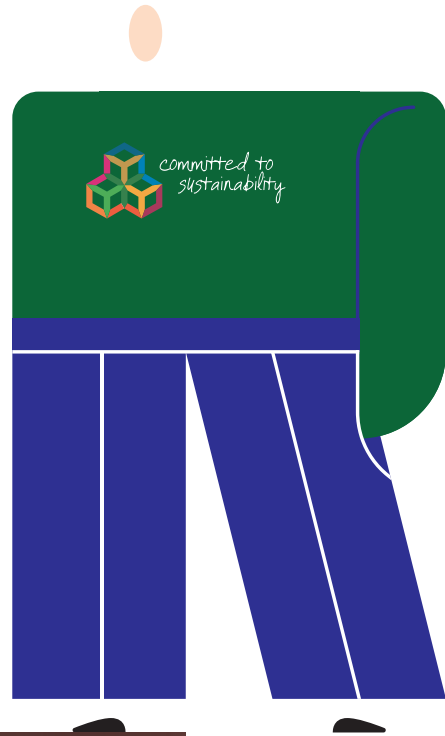
## RAISING

## AWARENESS

Cargolux's commitment to Human Rights is included on the company's website and will be included in the 2023 annual Sustainability Report, making it available for both internal and external stakeholders.

A wide stakeholder awareness and communication campaign, targeted to employees, customers and investors, will follow. Suppliers and other business partners will also be made aware of Cargolux's public commitments to Human Rights through the due diligence process.

Finally, the company is planning an employee event for 2024 with the aim of communicating its sustainability efforts. The Human Rights commitments and planned actions will also be shared during the event.



## EMBEDDING

# HUMAN RIGHTS

In 2022, Cargolux introduced a Supplier Sustainability Charter, which outlines the fundamental principles that should govern Cargolux's activities and its partners' operations.

Currently, a first group of suppliers has been contacted and asked to sign the commitment.

Eventually, all Cargolux suppliers will be requested to abide by this charter.

Human Rights are an important aspect of our compliance activities. In 2021, Cargolux introduced a KYC (Know Your Customer) / KYS (Know Your Supplier) policy, by which a due diligence is conducted on business partners.

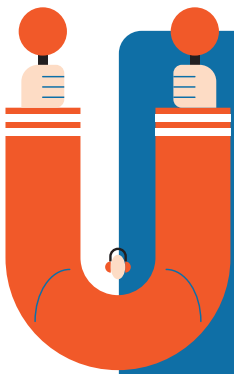


As part of its export controls, Cargolux rejects shipments related to entities known for Human Rights violations such as forced and child labor. The airline also rejects shipments that contain military, or repression material addressed to governments notorious for Human Rights violations or countries subject to internal conflict.

As regards to Human Resources and employee welfare, the employees' Collective Work Agreement (CWA) covers a number of human rights particularly relevant to the workplace. For example, the CWA defines work-life balance measures, provides for employee representatives such as the Safety Delegate, Equality Delegate or the Pilot Representatives, as well as all instances of health and safety at work.

Cargolux's OHS Management System is also certified (ISO 45001:2018) for all its staff at its home base.

In 2022, a staff survey was conducted, where several matters related to labor and Human Rights were assessed. In Spring and Summer 2023, Cargolux led 12 focus groups in order to collect further employee feedback and define an action plan. The Action Plan is now underway, with 9 concrete action items listed. Some action items were implemented at the end of 2023, with the signature of the new Collective Work Agreement 2023-2024. Amongst some of the successful actions implemented are those related to work-life balance and employee empowerment.



**CARGOLUX  
REJECTS  
SHIPMENTS  
THAT CONTAIN  
MILITARY,  
OR REPRESSION  
MATERIAL  
ADDRESSED  
TO GOVERNMENTS  
NOTORIOUS FOR  
HUMAN RIGHTS  
VIOLATIONS OR  
COUNTRIES  
SUBJECT  
TO INTERNAL  
CONFLICT**



## GOVERNING FOR

## HUMAN RIGHTS

**A SUSTAINABILITY STEERING GROUP (SSG) CHAIRED BY THE CHIEF SUSTAINABILITY OFFICER, DIRECTLY INFORMS AND COMMUNICATES ON SUSTAINABILITY MATTERS TO THE EXECUTIVE COMMITTEE**

Under the 2023 Sustainability Policy and Strategy, the Cargolux Sustainability Governance has been re-structured to further enhance compliance, monitor performance and achieve objectives. In the current structure, a Sustainability Steering Group (SSG) chaired by the Chief Sustainability Officer, directly informs and communicates on sustainability matters to the Executive Committee. The Human Rights Working Group is chaired by the Head of CSR and Human Rights Officer. Other material topic working groups are in place, such as that of Diversity, Equality and Inclusion, chaired by the Vice-President of Human Resources.

Furthermore, topic specific control procedures are in place in case of severe findings on the violation of company policies, with adequate due diligence, grievance and remediation mechanisms, in which issues can be escalated to Executive Management level, when required.

In 2024, a direct line of contact to the Human Rights Officer will also be established for direct reporting on Human Rights issues.





## TRAINING &

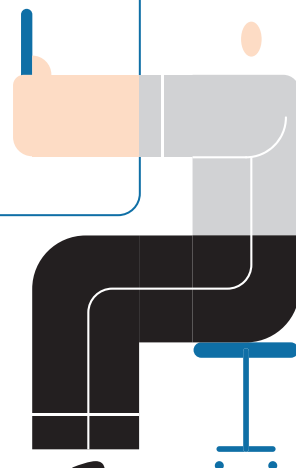
## AWARENESS

Employees undergo regular trainings that include job specific Human Rights topics. All new employees undergo an in-depth induction course on the company's Code of Conduct that fully summarizes the compliance with international laws, norms and regulations, and that communicates on the company's voluntary commitments to sustainable development and Human Rights.

Topic specific trainings are also a part of the mandatory course catalog for all employees, including training on harassment and anti-discrimination, anti-corruption and bribery, data privacy and OHS, amongst others.

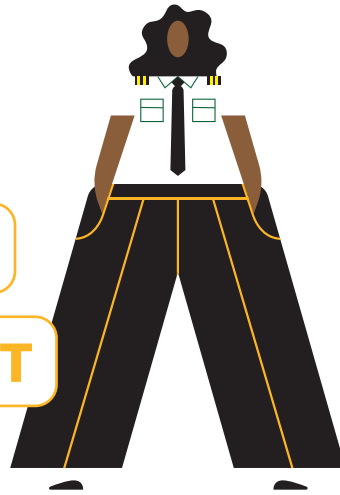
Specialized training is provided as required for defined roles.

**EMPLOYEES UNDERGO  
REGULAR TRAININGS THAT  
INCLUDE JOB SPECIFIC  
HUMAN RIGHTS TOPICS**



**CONTINUOUS**

**IMPROVEMENT**



Since its formalized public commitments in 2021, Cargolux has recognized the responsibility it holds, as a multinational business, towards Human Rights.

The airline aims to embed human rights across its business activities and business relationships.

As part of its 2023 Sustainability Strategy, the company has further recognized the need to implement specific functions to establish Human Rights throughout the work environment. A Human Rights Officer has therefore been appointed and is directly responsible for implementing and monitoring the strategy and framework development in relation to Human Rights.

Furthermore, the company recognizes the need to develop a more comprehensive Due Diligence program, Grievance and Remediation mechanisms that fully capture the complexity of Human Rights practices in business contexts. This is in development.

Training, awareness and regular stakeholder engagement have also been assessed as company needs for the successful implementation of a Human Rights framework. These lessons are under the scope of the Human Rights Working Group, tasked with developing measures that enable a more transparent, cooperative and responsible Human Rights framework at Cargolux.

**A HUMAN RIGHTS OFFICER HAS BEEN APPOINTED AND IS DIRECTLY RESPONSIBLE FOR IMPLEMENTING AND MONITORING THE STRATEGY AND FRAMEWORK DEVELOPMENT IN RELATION TO HUMAN RIGHTS**



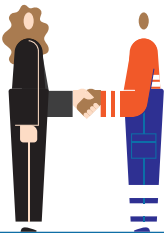
**DEFINING  
THE FOCUS OF  
REPORTING**



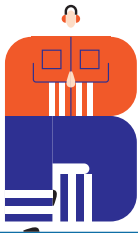
*committed to  
sustainability*

# FOCUSING ACTION

Under Cargolux’s Code of Conduct and Ethics and the Human Rights Policy Commitment, these topics represent the company’s commitment related to the respect for Human Rights:



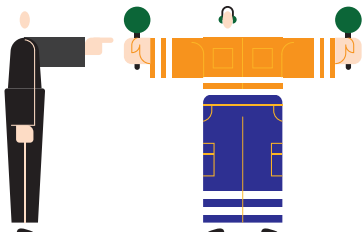
**FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING**



**SAFE AND HEALTHY WORKING ENVIRONMENT**



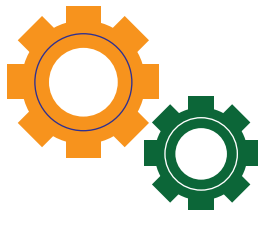
**CHILD LABOR**



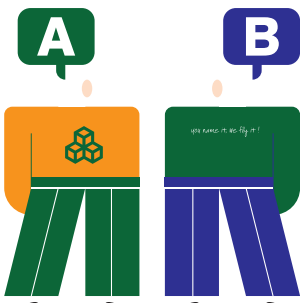
**FORCED LABOR**



**NON-DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION**



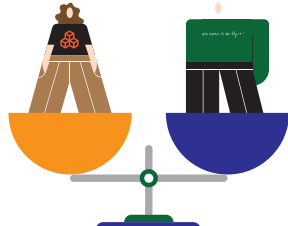
**WORKING CONDITIONS (WAGES, WORKING HOURS)**



**FREEDOM OF EXPRESSION**



**DIGITAL SECURITY / PRIVACY**



**GENDER EQUALITY AND WOMEN’S RIGHTS**



The list of salient issues has been determined by the company over many years and is included in different company policies, as well as widely identified in the company's Sustainability Report, which is publicly available (section on Assessing Impact Materiality).

**SINCE 2017,  
THE AIRLINE RUNS  
REGULAR  
STAKEHOLDER  
ENGAGEMENT  
SURVEYS  
TO DETERMINE  
MATERIAL  
SUSTAINABILITY  
MATTERS AND  
DIRECTLY  
CONTRIBUTE TO  
PROGRESS ON  
SUSTAINABLE  
DEVELOPMENT  
GOALS (SDGS)**

**MANAGEMENT  
OF SALIENT HUMAN  
RIGHTS ISSUES**



*committed to  
sustainability*



**CARGOLUX HAS AN ESTABLISHED CODE OF CONDUCT AND ETHICS THAT IS REGULARLY UPDATED AND DEFINES ITS COMMITMENT TO MAINTAINING INTERNATIONAL STANDARDS ON HUMAN RIGHTS AND LABOR CONDITIONS**

## POLICIES

## & VALUES

Cargolux has an established Code of Conduct and Ethics that is regularly updated and defines its commitment to maintaining international standards on human rights and labor conditions. In the Code, the company sets its responsibility to respect all human rights, invest in learning and development, ensure health, safety and wellbeing, and promote gender balance and diversity.

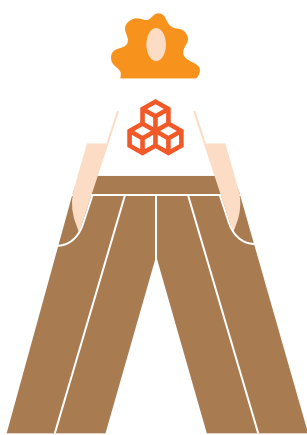
Furthermore, stand-alone company policies are available covering specific topics, such as the OHS Policy, the Anti-Harassment and Non-Discrimination Policy, the Just Culture Policy and the Human Rights Commitment.

On freedom of association, freedom of expression and collective bargaining, the company has an established Collective Work Agreement (CWA) where all the legally mandatory and additional provisions on working conditions are laid out. In 2023, a new CWA was signed providing enhanced working conditions, especially on work-life balance, such as the right to disconnect or recognizing the working from home policy, also established in 2023.

Finally, Cargolux continues to develop company policies based on identified material topics, including those on salient human rights issues, as they are identified.

All employees are enrolled in a number of trainings, published on the company's intranet.

The Code of Conduct in particular includes an in-depth induction training mandatory to all employees and new hires, where direct links to company policies, and their association with relevant SDGs is presented.



## STAKEHOLDER

## ENGAGEMENT

The stakeholder engagement approach at Cargolux is well defined in the materiality assessment in the Sustainability Report. As a part of its impact materiality assessment, a survey is sent to targeted groups of stakeholders on a yearly basis, to collect their feedback on which sustainability topics should be considered material to the company, including those on Human Rights. Material topics are then identified with adequate disclosures provided under the Sustainability Report.

Targeted stakeholder groups include customers, employees, suppliers and banks. Stakeholder views and opinions are taken into consideration in decision-making processes led by the Working Group and Sustainability Steering Group which constitute the company's Sustainability Governance. Feedback is then distilled across the company through action plans and concrete measures.

Another regular survey campaign that was last conducted in 2022 is the staff survey, sent to all employees. The survey results were used to develop an action plan on the improvement of identified working conditions and is currently being implemented. Amongst some of the successful actions already implemented are those related to work-life balance and employee empowerment.

Moreover, in 2023 the Human Rights Working Group was established and gathered several times to discuss and plan concrete measures in relation to Human Rights in the company. The Working Group directly considers all stakeholder engagement and serves as an internal stakeholder forum for planning and communication on Human Rights topics.

Cargolux is currently developing a formalized Stakeholder Engagement Strategy intended to clearly define its approach when it comes to collecting, managing, and using stakeholder engagement in its decision-making on sustainability matters.

**IN 2023 THE HUMAN RIGHTS WORKING GROUP WAS ESTABLISHED AND GATHERED SEVERAL TIMES TO DISCUSS AND PLAN CONCRETE MEASURES IN RELATION TO HUMAN RIGHTS IN THE COMPANY. THE WORKING GROUP DIRECTLY CONSIDERS ALL STAKEHOLDER ENGAGEMENT AND SERVES AS AN INTERNAL STAKEHOLDER FORUM FOR PLANNING AND COMMUNICATION ON HUMAN RIGHTS TOPICS**







**THE COMPANY'S  
STAKEHOLDER MATRIX,  
MATERIALITY MATRIX  
AND METHODOLOGY  
ARE FORMALIZED IN  
ITS SUSTAINABILITY  
REPORT AND PUBLICLY  
AVAILABLE**

**DOUBLE**

**MATERIALITY**

The double materiality exercise starts with the identification of Environment, Social and Governance (ESG) topics, in different research channels such as sector benchmarks, literature reviews, requirements of reporting initiatives and those dictated by sustainability standards and regulatory frameworks. This list is defined as an initial list of topics that will then be submitted to analysis and figure the stakeholder engagement exercise.

From here, two assessments help to identify those issues that are more material for the company to focus on. On one hand, an analysis is conducted to identify impacts caused by the company activities to the environment and people (impact materiality). On the other hand, a financial analysis is conducted to identify the risks and opportunities inherent to the company that are generated by socio-environmental factors (financial materiality).

The double materiality process is informed by the direct outcomes of the Stakeholder Engagement. This process highlights the environmental, social and governance topics, initially identified, that are the most impactful from a stakeholder perspective. The Stakeholder Engagement is based on a previously conducted Stakeholder Mapping that lists the company's relevant stakeholders.

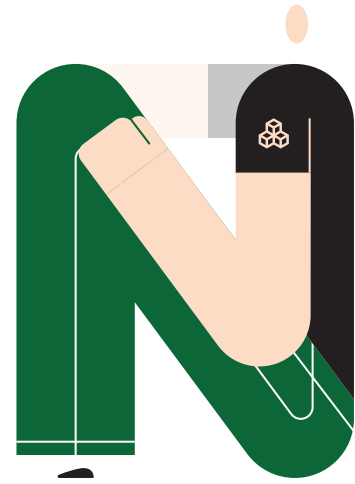
The company's Stakeholder Matrix, Materiality Matrix and Methodology used to conduct the process of double materiality is formalized in its Sustainability Report and publicly available.

Finally, Cargolux notes the need to continuously work to identify impacts, risks and opportunities and act in a manner that allows for these elements to be managed in the best manner possible. On this note, the company is working on a Stakeholder Engagement Strategy and on the continual improvement of its Double Materiality process to ensure the right direction is taken in all company decisions.

Stakeholder views and opinions are taken into consideration in decision making processes led by the Sustainability Steering Group and supporting working groups which constitute the company's Sustainability Governance. Feedback is then distilled across the company through action plans and concrete measures.

## NATURE OF

## SALIENT ISSUES



Changes in the nature of salient human rights issues, or any other issue related to sustainability topics are mainly identified through two tools.

First of all, the surveys conducted in stakeholder engagement practices, directly provide an overview of stakeholders expectations towards the company. The methodology allows them to rank their concerns in a way that allows Cargolux to focus its efforts on material sustainability topics. This is a long-standing, regular, and direct tool to collect stakeholder feedback and supports direct contact between stakeholders and relevant company functions and management.

The other tool that is now widely used is topical risk assessments. As defined in Cargolux's 2023 Sustainability Strategy, risks assessments on previously identified material topics are being conducted to provide a more technical, focused and informed overview of the company's overall risks and opportunities related to material sustainability topics. The Human Rights risk assessment is expected to contribute to the work of its associated Working Group and depict a more accurate picture of risks and opportunities related to Human Rights, as well as its position in the company's activities and value chain. The risk assessments will feed directly into the materiality process and the company's general direction towards sustainability. It will contribute to better direct the measures taken to implement the planned Human Rights framework.

An example of a previously identified change that led to a concrete action was the understanding of stakeholders' expectations towards anti-harassment and non-discrimination. By collecting stakeholder feedback, the company developed a comprehensive training on the topic, after a vast awareness campaign that took place in 2023. Another example is reflected in the Staff survey conducted in 2022, that led to the creation of focus groups in 2023, and was consolidated in a 9 action items plan. The signing of the new Collective Work Agreement (CWA), and the establishment of the Working From Home Policy have proven the success of addressing employee concerns as expressed in the survey. It also demonstrates the importance of adapting to changes in identified Human Rights and labor concerns, such as the importance of work-life balance and flexibility for Cargolux's workforce. Further surveys are planned to be conducted to evaluate the progress of the actions taken and identify new challenges and expectations.





## ACTION AT

## ALL LEVELS

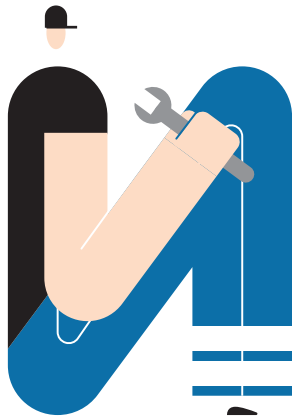
Company policies establish dedicated control procedures over reporting or follow those available through the Corporate Reporting and Whistle-blowers Protection Policy, which is in line with the obligation under the 2019 EU Directive 2019/1937 on the subject. These documents establish the provisions on tensions and how they are managed. The company's Corporate Reporting and Whistle-blowers Protection Policy has also been reviewed to formalize all grievance mechanisms and reporting procedures that enable the management of identified issues and inform on how to better prevent and mitigate those issues.

For example, under the company's Anti-Harassment and Non-Discrimination Policy, an Equality Delegate function is also established for Luxembourg (main basis of operations), who is authorized to assist and advise workers on how to report harassment. Victims of harassment, as well as the alleged harasser(s), can be accompanied or assisted by the delegate when due diligence processes are in place regarding the reported issue.

Additionally, in Luxembourg, Cargolux's home base, a 84% of employees are covered by the Collective Work Agreement (CWA). Employees can be represented by their Staff Representatives when disputes or issues in relation to the company arise. In such cases, the employees are represented by the Staff Delegation, especially on matters concerning working conditions. For crew, an additional Pilots Representative function is also available to serve as a discussion partner for crew-related matters.

When the Staff Delegation is not able to find a solution for the company and employee, the Joint Committee to the Collective Work Agreement is also tasked to examine the issue and is preliminary to any possible conciliation procedure.

**IN LUXEMBOURG,  
CARGOLUX'S HOME  
BASE, 84% OF  
EMPLOYEES  
ARE COVERED BY  
A COLLECTIVE WORK  
AGREEMENT (CWA)**



# COMPLAINTS MECHANISMS & REMEDY



Remediation processes are established under company policies and are structured based on the policy topics' complexity. All legal procedures are in place for remediation to ensue if salient Human Rights issues are duly reported and identified.

Cargolux has established a dedicated reporting structure, based on each policy topic, allowing employees to report concerns or seek advice on issues identified. Reports can be done by following the reporting procedure, established under the Corporate Reporting and Whistle-blowers Protection Policy.

Accordingly, complaints are processed and assessed based on the reporting channels used and the complexity of the issue reported. Firstly, the report is followed by a receipt of acknowledgment with responsible functions to determine the severity of the issue reported and the preparation of a preliminary report on the case.

Depending on the preliminary report, the issue is escalated following a defined line of control. An investigation follows, if deemed necessary, following the initial investigation procedure. If an investigation is conducted, a final report is made available to relevant functions in the line of control.

A total of 8 reports out of 14 for the year 2023 focused on discrimination and harassment allegations and safe working environment, only a few of those were actually founded and required corrective actions.

Whenever the allegation was founded, certain actions were implemented by the company to remedy any actual impacts related to those issues, such as communications to the employees or their managers, or ensuring certain processes would be reviewed in the company.

The Policy is applicable to all allegations of violations of external laws and regulations, and internal company policies. It is mainly addressed to current and former Cargolux employees and agents, but also applicable to external parties who wish to use the reporting channels or processes established in the Policy. Reporting can be done directly to a superior or dedicated departments (Human Resources, Compliance, Security, etc.) or by using the Safety System Management available and communicated throughout the company. Moreover, a third-part provider reporting system is available including for confidential reporting.

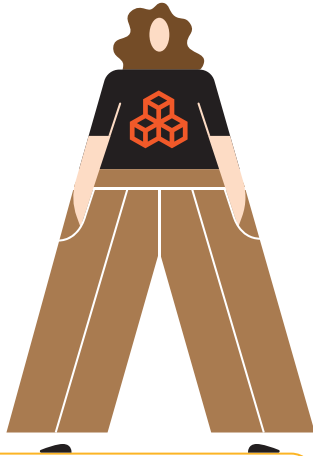
The company certified Management Systems provide additional procedures, tools and accountable functions for reporting concerns in relation to the elements under its scope. This is the case for Occupational Health and Safety and Environmental issues.

**Speak up!**  
Use the confidential reporting channels to report potential violations of our Code of Conduct & Ethics.

**Fraud**  
**Corruption**  
**Theft**  
**Data breach**  
**Antitrust**  
**Bribery**

Speak to your manager and/or the Compliance team  
Call the Compliance team or use our Confidential Hotline\*  
Email [compliance@cargolux.com](mailto:compliance@cargolux.com)  
Fill in our confidential online form\* anonymously  
Contact the competent authorities in your country

\*These channels are available 24/7 on the compliance hotline page.



**EMPOWERING**

**STAKEHOLDERS**

**TO ACT**

Cargolux places the utmost importance in providing a Just Culture and safe working environment throughout its operations and value chain.

Stakeholders' general perception on company practices, including its general reporting mechanisms, are assessed through stakeholder engagement surveys. Based on this assessment, a comprehensive effort is made to ensure affected stakeholders are aware of company reporting procedures and channels and where these channels can be accessed. Mandatory and regular training is also provided to all employees to encourage and ensure protection for all those who wish to report alleged violations of external laws and regulations and internal company policies.

Furthermore, the company has an established Just Culture Policy that fosters an atmosphere of trust, in which employees, contractors and company representatives can feel encouraged to provide essential safety related information in the context of reporting schemes related to safety aviation, compliance, occupational health and safety and human resources.



**MANDATORY AND  
REGULAR TRAINING  
IS ALSO PROVIDED  
TO ALL EMPLOYEES  
TO ENCOURAGE AND  
ENSURE PROTECTION  
FOR ALL THOSE WHO  
WISH TO REPORT  
ALLEGED VIOLATIONS**





	United Nations Global Compact Communication on Progress (UNGC CoP)	G6, G8, G8.1, HR1, HR1.1, HR2, HR3, HR4, HR2.1, HR5, HR6, HR7, HR8
	United Nations Global Compact Principles (UNGC Principle)	1, 2, 3, 4, 5, 6, 10
	Sustainable Development Goals (SDGs)	

\* The referenced indicators are structured on the basis of publicly available materials provided under the United Nations framework for the Sustainable Development Goals integration and relate to the general Cargolux's disclosures on Human Rights. The table is susceptible to changes over time. The table is an auxiliary for reporting under the UN Global Compact Communication of Progress. More detail on specific sustainability topics can be found in Cargolux's Sustainability Report.