



SUSTAINABILITY
REPORT
2025

cargolux*group*



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REPORT
2025

cargoluxgroup

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INTRODUCTION

cargolux





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INTRODUCTION

We are pleased to present the Cargolux 2025 Sustainability Report, the Group's second report prepared in alignment with the European Sustainability Reporting Standards (ESRS).

As a Wave 2 company under the Corporate Sustainability Reporting Directive (CSRD), Cargolux is expected to publish its mandatory sustainability report in 2028, covering the fiscal year 2027, subject to the transposition of the directive into Luxembourg law. By voluntarily aligning with ESRS ahead of this regulatory timeline, the Group demonstrates its strong commitment to transparency, accountability, and regulatory preparedness, positioning itself among the early adopters in the aviation sector.

The Group's disclosures are informed by a DMA and shaped through ongoing dialogue with stakeholders across the value chain. The DMA, initially conducted in 2024, was reviewed and refined in 2025, incorporating lessons learned from the Group's first year of ESRS-aligned reporting, recommendations from independent auditors, and ongoing developments in the ESRS framework. The review confirmed the continued relevance of the Group's material sustainability matters and did not result in the identification of any new material topics or changes to existing material topics.

Following the DMA review, the Group has also refined the presentation of certain disclosures. In particular, reporting on aircraft noise has been

moved from ESRS-S3 Affected Communities to ESRS-E2 Pollution to better reflect the nature of the topic. While aircraft noise was not identified as a material sustainability matter through the DMA, the Group continues to disclose information on noise on a voluntary basis to support transparency and respond to stakeholder information needs. In addition, this report has been subject to third-party limited assurance, reinforcing the credibility, robustness, and reliability of the information disclosed.

Cargolux's approach is guided by a principle of continuous improvement, reflecting both the complexity of the aviation sector and the Group's commitment to progressively strengthening its sustainability practices. The Group remains focused on enhancing the quality, consistency, and comparability of its disclosures, strengthening stakeholder engagement, and preparing confidently for an evolving regulatory landscape.

Cargolux Airlines' sustainability performance continues to be externally recognized through its EcoVadis rating and Luxembourg's ESR Label for Responsible Enterprises, reflecting ongoing progress across environmental, social, and governance dimensions. Over time, the Group aims to extend such frameworks and recognitions across all its entities, further strengthening a consistent and integrated approach to sustainability.



ENTREPRISE
SOCIALEMENT
RESPONSABLE

Cargolux invites all interested parties to connect and discuss its sustainability policy, its activities, and this report. The company's policy, details about business activities, and previous reports, can be found on the corporate website:

<https://www.cargolux.com/our-responsibility/>.

All comments and enquiries are welcome and can be addressed to sustainability@cargolux.com.

- **Cargolux** – Parent company, acting on behalf of all
- **Cargolux Group** – all entities together
- **Entities:**
 - Cargolux Airlines (Cargolux Airlines International S.A.)
 - Cargolux Italia (Cargolux Italia S.p.A.)
 - LCH (Luxcargo Handling S.A.)
 - AFF (Aquarius Aerial Firefighting S.à.r.l.)
- **The airlines** – Cargolux Airlines and Cargolux Italia

COMMITMENT TO THE UN GLOBAL COMPACT AND THE SUSTAINABLE DEVELOPMENT GOALS

Cargolux Airlines has been a participant in the United Nations Global Compact since 2007, reflecting its long-standing commitment to responsible business conduct. Through this commitment, the company supports the UN Global Compact's Ten Principles in the areas of *human rights, labor, environment* and *anti-corruption*, and seeks to embed these principles into its policies, procedures and decision-making processes.

The Cargolux Group also supports the objectives of the United Nations 2030 Agenda for Sustainable Development. While the Group recognizes the interdependence of all 17 Sustainable Development Goals, its activities and sustainability priorities contribute most directly to goals related to decent work, equality, climate action, responsible consumption and production, strong governance, partnerships, health and safety, education, innovation and biodiversity. As the Group continues to strengthen its sustainability governance and reporting maturity, it aims to further align its actions, disclosures and stakeholder engagement with these global frameworks.



CHAPTER

2

ABOUT
THE CARGOLUX
GROUP



ABOUT THE CARGOLUX GROUP

CARGOLUX GROUP ENTITIES

Cargolux's sustainability journey is shaped by the activities, expertise, and people of the entities that form the Cargolux Group. Together, these entities contribute to the Group's role as a leading provider of air cargo services and related activities, while supporting its ambition to promote environmentally-sound operations, responsible business practices, and positive contributions to society.

For the financial year 2025, the Group's sustainability reporting perimeter includes Cargolux Airlines International S.A., Cargolux Italia S.p.A., Luxcargo Handling S.A., and Aquarius Aerial Firefighting S.à r.l. Each entity plays a distinct role within the Group's business model and contributes, in its own way, to the Group's operational footprint, workforce, value chain, and sustainability-related impacts, risks, and opportunities.

The following section provides an overview of the main activities and role of each entity included in the reporting perimeter. Further information on the Group's reporting scope, governance framework, material sustainability matters, and related disclosures is provided in ESRS-2 and in the relevant thematic sections of this report.



Cargolux Airlines International S.A., headquartered in Luxembourg, is Europe's leading all-cargo airline and the core operating entity of the Cargolux Group. The company operates a fleet of 30 Boeing 747-8 and Boeing 747-400 freighter aircraft and has placed an order for ten Boeing 777-8F aircraft as part of its long-term fleet modernization strategy, aimed at improving operational efficiency and reducing environmental impact.

The airline's global network covers over 50 destinations through scheduled all-cargo flights and offers full and part-charter services. With more than 90 offices in over 50 countries and an extensive trucking network connecting more than 250 destinations, Cargolux provides integrated logistics solutions tailored to a wide range of cargo types.

With over 55 years of experience in the air cargo industry, Cargolux Airlines represents the primary contributor to the Group's economic activity, environmental footprint, and workforce. The company employs close to 4,000 staff worldwide and plays a central role in defining the Group's strategy, governance framework, and sustainability objectives.



CELEBRATING 55 YEARS OF CARGOLUX

In 2025, Cargolux marked its 55th anniversary—an important milestone that offers an opportunity to reflect on more than five decades of growth, resilience, and transformation. From its modest beginnings, driven by the vision and determination of a small group of pioneers, Cargolux has evolved into a trusted global leader in the air cargo industry.

Throughout its history, the company's progress has been shaped by the dedication and expertise of its people. From its very first flight—transporting everyday goods such as lettuce and strawberries—to today's highly specialized operations, Cargolux has continuously expanded its capabilities to meet the changing needs of global trade. Its long-standing commitment to reliability and tailored service is captured in its enduring motto, "You name it, we fly it!", reflecting the company's ability to handle a broad and diverse range of cargo safely and efficiently.

As the industry continues to evolve, Cargolux remains focused on adapting to new challenges and opportunities, including those linked to sustainability and responsible growth. Building on its strong legacy of collaboration and operational excellence, the company is committed to maintaining its role as a partner of choice in global logistics while continuously striving to improve its environmental and societal impact.



Cargolux Italia S.p.A. is an Italian all-cargo airline established in 2008 as a subsidiary of Cargolux Airlines International S.A., with the objective of serving the Italian market, one of the most significant air freight markets in Europe.

Headquartered in Vizzola Ticino, near Milan Malpensa International Airport, the airline commenced operations in 2009 and currently operates flights connecting Milan with key global destinations, including Hong Kong, Narita, and Zhengzhou. Its fleet consists of four Boeing 747-400 freighter aircraft, configured to meet the specific requirements of freight forwarders and customers in the region.

Cargolux Italia employs approximately 130 ground staff and crew. The company contributes to the Group's European network coverage and regional presence, while operating under the strategic, operational, and sustainability framework defined at Group level. Cargolux Airlines International S.A. acts as its worldwide General Sales Agent.



Luxcargo Handling S.A. is a wholly owned subsidiary of Cargolux Airlines International S.A., based at Luxembourg Airport. Established in 2023, the company took over the activities of Luxair's former cargo handling division and now operates Luxembourg airport's cargo center, one of the largest air freight platforms in Europe.

LCH provides specialized ground handling services for air cargo, including the handling of high-value goods, pharmaceuticals, live animals, perishables, dangerous goods, and outsize shipments. The company employs over 1,000 staff members and represents a significant share of the Group's workforce.

As the Group's primary ground handling entity, LCH plays a key role in operational activities linked to cargo processing, warehousing, and logistics interfaces. It is also a relevant contributor to the Group's social footprint and to environmental impacts associated with ground operations, including energy consumption, resource use, and waste generation.



Aquarius Aerial Firefighting S.à r.l. is a Luxembourg-based subsidiary of Cargolux Airlines International S.A., established in 2024. The company provides specialized aerial firefighting services, supporting public authorities in wildfire suppression operations.

Building on the operational expertise and safety standards of its parent company, AFF operates a growing fleet of AT-802 Fire Boss aircraft designed for rapid response to wildfire events. Its activities contribute to environmental protection, climate adaptation, and the safeguarding of communities and ecosystems affected by increasingly frequent and severe wildfires.

Although smaller in scale compared to other Group entities, AFF represents a strategic diversification of the Group's business model and is directly linked to positive environmental and societal impacts.

SHAREHOLDER STRUCTURE

LUXAIR
35.1%

HNCA
35%

BCEE
10.9%

SNCI
10.7%

LUXEMBOURG
STATE
8.3%

KEY FIGURES

Cargolux is focused on creating value for its stakeholders by enhancing its positive impact and mitigating the adverse effects of its operation. In order to provide sustainable, long-term benefits, the company relies on different capitals – human, intellectual, natural, manufactured, etc. – that it must continuously invest in and develop.

CONSOLIDATED FIGURES

	2025	2024	2023	2022
 Total revenue in USD '000 **	3,406,085	3,323,761	2,974,582	5,078,823
Profit/(loss) for the year in USD '000	464,776	448,327	286,480	1,578,627
Shareholders' equity in USD '000	5,142,278	4,824,008	4,491,577	4,530,729
 Tonnes sold*	1,092,731	1,123,801	997,533	1,138,668
 Employees worldwide ** (Total average employees)	3,936	2,592 ***	Not available	
Luxembourg ** (Total average employees)	3,221	1,905 ***		
 Boeing 747-8 freighters (units)	14	14	14	14
Boeing 747-400 freighters (units)	10	10	10	10
Boeing 747-400ERF (units)	6	6	6	6
Air Tractor AT-802F Fire Boss (units)	7	4	3	N/A

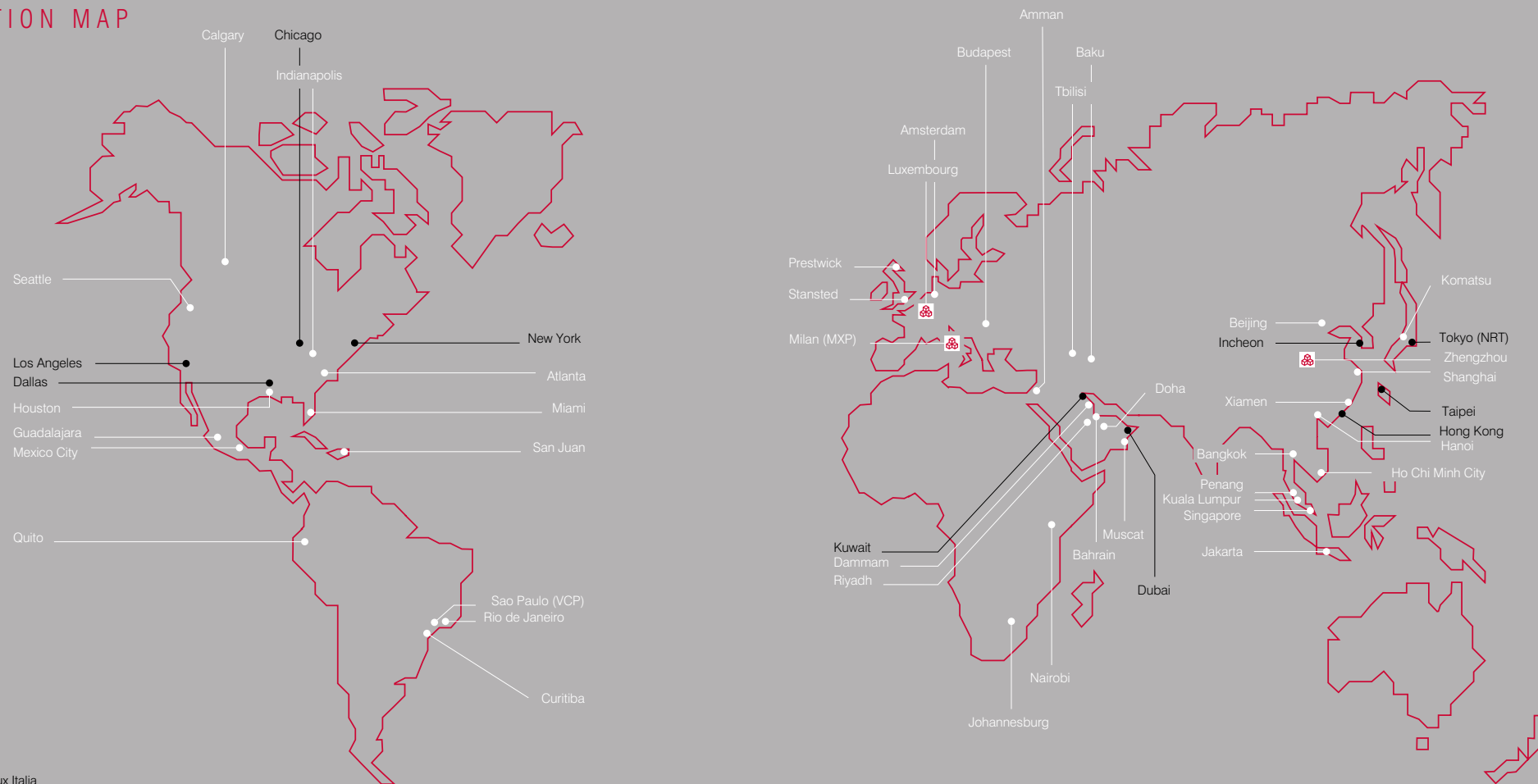
* Includes all entities of the Cargolux Group

** SBM-1

*** Excludes Luxcargo Handling



DESTINATION MAP



Cargolux hub

• (Also) flown by Cargolux Italia



CHAPTER
3

**MESSAGES
FROM
LEADERSHIP**

cargolux

City of Bourscheid
LUXEMBOURG
LET'S MAKE IT HAPPEN

MCL



MESSAGE
FROM THE CHAIRMAN

As recent history has shown, the air freight industry continues to evolve rapidly. Geopolitical developments, changing trade dynamics and increasing regulatory complexity are reshaping global supply chains and creating new challenges for the sector. In light of these developments, maintaining resilience and ensuring long-term competitiveness remain central components to Cargolux's strategic direction.

In this context, sustainability is not only a regulatory requirement, but an essential factor in future-proofing the Group. It is closely linked to Cargolux's ability to address structural changes, meet stakeholder expectations, and operate responsibly in an environment where requirements continue to grow.

Over time, sustainability at Cargolux has developed from a set of targeted initiatives into a more comprehensive approach that is progressively being integrated across the Group. As the company continues to expand its activities through entities such as Luxcargo Handling, Aquarius Aerial Firefighting and Cargolux Italia, ensuring coherence across these different operations remains an important aspect of this evolution. It is therefore essential that sustainability considerations are reflected in the Group's overall strategy.

At the same time, the aviation sector faces a complex transition toward a lower-carbon future. Decarbonization pathways remain uncertain and are highly dependent on technological advancement, sustainable aviation fuel availability, and evolving regulatory frameworks. For European carriers in particular, this transition takes place in a competitive environment where regulatory requirements and operating conditions differ across regions.

In this context, it is important to maintain a balanced and realistic approach. Progress requires time, investment and collaboration with actors throughout the industry.

Cargolux has a long-standing commitment to sustainability, and this commitment continues to evolve as we adapt to a changing operating environment. Our renowned resilience and commitment to change will be key to navigating this transition while ensuring the long-term strength and competitiveness of the Group.

I would like to express my sincere appreciation to the Executive Management Team and all employees across the Group for their continued dedication. I would also like to thank our customers and partners for their ongoing trust and collaboration.

Tom Weisgerber

Chairman of the Board of Directors
Cargolux Airlines International S.A.





MESSAGE FROM THE CEO

It is my pleasure to present Cargolux's 2025 Sustainability Report.

2025 has been another year marked by volatility and uncertainty for the air cargo industry. In such an environment, operational resilience and the ability to adapt rapidly to changing conditions remains essential. This mindset also shapes how we approach sustainability: not as a separate initiative, but as an integral part of how we operate and plan for the future.

Over the past year, we have continued to integrate sustainability into the day-to-day operations of the Group. In addition to strengthening sustainability considerations in our core activities we have extended our approach more consistently across all main operational entities within the organizational structure: Cargolux Airlines, Cargolux Italia, Luxcargo Handling and Aquarius Aerial Firefighting.

Each of these activities contributes differently to the Group. Cargolux Airlines and Cargolux Italia remain the drivers of our core business, while Luxcargo Handling plays a key role in ground operations, including ramp handling and Aquarius Aerial Firefighting addresses the growing environmental impact of wildfires. Implementing a consistent sustainability approach across these entities is an important step in bolstering the Group's overall performance and accountability.

This common approach is supported by our governance structure, mainly through the Sustainability Steering Group, which brings together expertise from across the organization and ensures that sustainability considerations are integrated into operational and management discussions at Group level.

Decarbonization remains one of the key priorities for our industry and for Cargolux. As a global air cargo carrier, we operate in a sector where reducing emissions presents significant challenges. Progress in this area relies on technological developments, regulatory frameworks and the availability of viable alternatives to conventional fuels.

Among the available levers, fleet renewal, operational efficiency and Sustainable Aviation Fuel (SAF), the development and use of SAF remains the most critical means of reducing emissions in aviation. Despite the challenges associated with its cost and long-term availability—particularly for next-generation fuels—we are committed to advancing the use of SAF through concrete actions and partnerships.

In 2025, we reached an important milestone through an agreement with Microsoft and AIT Worldwide Logistics. This initiative reflects our commitment to advancing decarbonization in partnership with our customers and value chain partners. Collaboration is key to support the adoption of SAF and enable measurable emissions reductions. While such initiatives represent meaningful progress, scaling sustainable aviation fuel will require investment, stronger industry alignment and supportive regulatory frameworks.



In parallel, we are further developing our longer-term approach to decarbonization, including a transition plan that will guide our efforts in the years to come. While this work is still under review, it represents an important step to ensure our approach is structured, credible and aligned both with the industry's long-term transformation and our financial stakeholders' expectations.

In addition to these efforts, we address operational efficiency through fuel efficiency measures, a large-scale re-fleeting program as well as initiatives to enhance ground operations performance, maintaining agility and focusing on practical, effective solutions remains essential in a dynamic environment such as aviation.

Beyond environmental considerations, sustainability at Cargolux is closely linked to our people and the way we operate as an organization. The resilience, expertise, and commitment of our employees are the foundation of our success. Ensuring a safe working environment, supporting our workforce, and maintaining a strong corporate culture remain fundamental priorities across the Group.

As sustainability questions become more prominent, the regulatory landscape continues to evolve. As a wave 2 company under the Corporate Sustainability Reporting Directive, we are taking a proactive and pragmatic approach to strengthening our governance, processes and data capabilities, ensuring that we are well prepared for future requirements.

While progress is being made, we are aware that the transition toward a more sustainable aviation industry will not be linear and will require sustained effort, collaboration, and investment across the sector. Our focus is to take practical steps, strengthen our operations, and adapt to the realities of a rapidly changing world.

I would like to thank all our employees, partners and stakeholders for their continued dedication and support.

RICHARD FORSON

President & Chief Executive Officer
Cargolux Airlines International S.A.



CHAPTER

4

**SUSTAINABILITY
GOVERNANCE,
STRATEGY AND
REPORTING
(ESRS-2)**



BASIS FOR PREPARATION

BP-1 GENERAL BASIS FOR PREPARATION
OF THE SUSTAINABILITY STATEMENT

This ESRS-aligned sustainability report covers the financial year 2025. Building on the foundations established in 2024, this report reflects good progress in scope, structure, and data maturity, marking an important step in strengthening the Group's sustainability reporting practices.

The reporting boundary has been broadened to include all entities relevant for sustainability reporting — Cargolux Airlines International S.A. (Cargolux Airlines), Cargolux Italia S.p.A., Aquarius Aerial Firefighting (AFF), and Luxcargo Handling (LCH). While certain disclosures remain subject to data availability, completeness against ESRS requirements will be achieved progressively as the Group continues to enhance internal processes, expand data coverage, and further embed sustainability across all operations.

Cargolux qualifies as a wave 2 company under the CSRD. At the date of publication, Luxembourg has not yet transposed the CSRD into national law. Accordingly, this Report is prepared on a voluntary basis and in alignment with the ESRS as adopted in 2023. Subject to the transposition of the directive into Luxembourg law, the Cargolux Group is expected to publish its first mandatory ESRS-aligned sustainability report in 2028, covering the financial year 2027.

The Double Materiality Assessment (DMA), first conducted in 2024, was reviewed and refined during 2025 to reflect lessons learned from the Group's first year of ESRS-aligned reporting, recommendations arising from the assurance process, and ongoing ESRS simplification developments. The review confirmed the continued relevance of the Group's material sustainability matters and did not result in the identification of any new material topics or changes to existing material topics.

Disclosures identified for potential removal in the revised ESRS framework, and not previously reported, have been omitted, ensuring consistency while reflecting the evolving regulatory landscape.

The Group has also refined the presentation of certain disclosures to improve alignment with ESRS requirements and the nature of the underlying sustainability matters. Where relevant, comparative presentation has been updated accordingly.

The 2025 Sustainability Report does not include disclosures under Article 8 of the EU Taxonomy Regulation. As this report has been prepared on a voluntary basis and outside the scope of mandatory CSRD reporting, the Group has not prepared EU Taxonomy disclosures for the 2025 reporting period, including Taxonomy-eligible and Toaxonomy-aligned turnover, capital expenditure (CapEx) and operating expenditure (OpEx) key performance indicators.

Basis of consolidation and reporting scope

This sustainability report has been prepared on a consolidated basis. The sustainability reporting boundary is aligned with the scope of consolidation applied in the Cargolux Group's financial statements for the same reporting period. No subsidiary undertakings included in the financial consolidation perimeter are exempted from individual or consolidated sustainability reporting.

Entities Included in the Consolidated
Reporting Boundary

Based on the FY2025 consolidated financial statements, the Cargolux Group includes the following entities under effective control:

- Cargolux Airlines International S.A.
- Cargolux Italia S.p.A.
- Luxcargo Handling S.A.
- Italia Aerologicistic S.R.L.
- Cargolux RE S.A.
- Aquarius Aerial Firefighting S.à r.l.
- Aircraft Leasing S.à r.l.
- Aircraft Leasing 2 S.à r.l.
- Marie Lease S.à r.l.
- CVFuel S.à r.l.

The Cargolux Group also holds participations accounted for under the equity method, including Global Aviation Technical Solutions S.E.C.S. and NACRE S.A.S. These entities are not part of the consolidated reporting boundary but may be reflected in sustainability disclosures where they give rise to material impacts, risks or opportunities in the Cargolux Group's upstream or downstream value chain.

Reporting scope for the 2025
Sustainability Statement

For the 2025 reporting period, the scope of the Sustainability Statement includes sustainability disclosures for the following Cargolux Group's entities which conduct operational activities that may give rise to material sustainability impacts, risks or opportunities:

- Cargolux Airlines International S.A.
- Cargolux Italia S.p.A.
- Aquarius Aerial Firefighting S.à r.l. (AFF)
- Luxcargo Handling S.A. (LCH)

The remaining consolidated entities primarily function as holding, financing, leasing or investment vehicles, have no employees and/or no operational activities, and do not, in themselves, give rise to material sustainability impacts, risks or opportunities. As a result, they are not subject to detailed operational sustainability disclosures but are included in the reporting boundary and reflected where relevant, notably in relation to governance, financial arrangements, or value chain considerations.

CVFuel S.à r.l. was established during 2025 but did not carry out operational activities within the reporting period. Its operational activities commenced in 2026 and are therefore outside the scope of operational disclosures for the 2025 Sustainability Statement.

The inclusion of Luxcargo Handling S.A. and Aquarius Aerial Firefighting S.à r.l., which were outside the scope of the previous reporting cycles, in operational disclosures reflects a progressive expansion and maturation of the Cargolux Group's sustainability reporting scope, in line with organizational integration and improving data readiness.

Coverage of value chain activities

This sustainability report covers material impacts, risks and opportunities across upstream, own operations and downstream activities, as identified through the Group's value chain mapping and double materiality assessment.

Upstream activities covered include, among others:



Aircraft and engine procurement



Components and spare parts supply



Conventional fuel and sustainable aviation fuel (SAF) supply



IT systems and digital infrastructure



Supply chain management processes, including supplier onboarding, audits and assessments



Financial institutions involved in aircraft leasing and financing



Airport infrastructure and air navigation service providers



Catering, crew services, and procurement of ground handling materials and equipment

Own operations covered include:



Flight operations and network planning



Line and base maintenance, including Continuing Airworthiness Management Organization (CAMO) activities



Ground handling and warehouse operations



Cargo acceptance, screening and handling



Animal handling facilities



Safety, quality and compliance management



Employee services, training programs and operational support systems

Downstream activities covered include:



Freight forwarders and shippers



Consignees and end customers



Multimodal distribution partners, including subcontracted trucking providers



Airport authorities and regulatory bodies



Public authorities in relation to Aquarius Aerial Firefighting operations



Digital customer interfaces for booking, tracking and cargo management



Omissions and confidentiality provisions

In accordance with ESRS 2 BP 1.5(d), the Group has not used the option to omit specific pieces of information on the grounds of intellectual property, know how or the results of innovation. In accordance with ESRS 2 BP 1.5(e), the Group has not exercised the option allowed under national law to omit information relating to impending developments or matters in the course of negotiation.

**BP-2 DISCLOSURES
IN RELATION TO SPECIFIC CIRCUMSTANCES****Time horizons**

Cargolux applies the time horizons defined under ESRS-1, section 6.4, without deviation. The short term time horizon corresponds to the reporting period of one year. The medium term horizon covers a period from the end of the short term horizon up to five years, while the long term horizon refers to periods beyond five years.

These time horizons are applied consistently across strategic planning, sustainability related risk assessments, and impact evaluations, reflecting continuity with the approach adopted in the 2024 Sustainability Report. Where specific analyses require a different temporal framing, this is disclosed alongside the relevant datapoints.

Value Chain estimation

In line with ESRS-2 BP 2.10, certain metrics disclosed in this sustainability report include upstream and downstream value chain data estimated using indirect sources where primary, partner or supplier specific data was not available. This applies primarily to the Group's Carbon footprint and specifically Scope 3 greenhouse gas emissions disclosed under ESRS-E1.

Upstream Scope 3 categories subject to partial or full estimation include purchased goods and services, capital goods, upstream transportation and distribution, business travel, and employee commuting. These metrics rely on spend based methods, activity data, and proxy information and therefore involve estimation.

Cargolux applies recognized and consistently used indirect sources, including the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, industry specific databases, and authoritative literature, to estimate upstream and downstream impacts until primary data becomes available. Compared to the prior reporting period, data collection and consolidation processes have been further expanded across Group entities, improving coverage and internal consistency of value chain data.

Despite these improvements, metrics based on indirect sources remain subject to a lower level of accuracy than Scope 1 and Scope 2 emissions, which are calculated using primary consumption data. Cargolux remains committed to progressive improvements in data quality through enhanced supplier engagement and methodological refinement.

Sources of estimation and outcome uncertainty

Cargolux applies recognized methodologies to ensure consistency, comparability and reliability of sustainability metrics across all disclosures. Where estimation is required due to limitations in source data or conversion factors, the underlying assumptions, methodologies, and approximations are disclosed alongside the respective datapoints.

For the 2025 reporting period, no quantitative metrics or monetary amounts disclosed have been identified as subject to a high level of measurement uncertainty.

Metrics based on primary operational data, including Scope 1 and Scope 2 greenhouse gas emissions derived from fuel, gas, and electricity consumption, are considered to have a low level of uncertainty. In contrast, certain metrics, most notably Scope 3 emissions, are subject to a higher inherent level of uncertainty, reflecting the continued reliance on estimates and secondary data sources within parts of the value chain.

Changes in preparation or presentation of sustainability information

The overall structure, core disclosure requirements, and reporting principles applied in the preparation of the 2025 sustainability report remain consistent with the 2024 sustainability report, ensuring comparability over time while reflecting increased maturity in implementation.



Consideration of ESRS simplification amendments

Cargolux actively monitors the ongoing standard setting and simplification process led by EFRAG and the European Commission, including publicly available amendment logs indicating data points proposed for deletion. In preparing the 2025 Sustainability Report, Cargolux has considered these amendment logs. Data points explicitly identified as proposed for deletion have been omitted where applicable in order to maintain relevance, reduce unnecessary administrative burden, and enhance forward compatibility with the anticipated revised ESRS. The omitted data points are disclosed transparently in Appendix 2.

Reporting scope and comparability

The scope of sustainability information has expanded compared to the 2024 reporting year. While the 2024 Sustainability Report primarily covered Cargolux Airlines and, where applicable, Cargolux Italia, the 2025 sustainability report – where the data are available – also includes the newly created entities Aquarius Aerial Firefighting and Luxcargo Handling

As a result of this expanded scope and the continued development of Group wide data collection and consolidation processes, some metrics are not fully comparable with the prior reporting period. Comparative figures have not been restated.

Apart from the expanded reporting scope and ongoing refinement of internal processes, no other significant changes have been made to reporting policies, structure, or presentation.

Reporting errors in prior periods

No material errors were identified in prior reporting periods. Consequently, no corrections or restatements have been included in the 2025 Sustainability Statement.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

In addition to ESRS, Cargolux applies the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard for the quantification and classification of greenhouse gas emissions. Aviation specific emission calculations follow applicable ICAO and CORSIA methodological requirements. These references support, but do not replace or modify, ESRS disclosure requirements.

Selected sustainability data and processes continue to be externally verified through Cargolux's certified management systems. Cargolux maintains ISO 14001 and ISO 45001 certification for its Luxembourg based activities, confirming conformity with recognized environmental and occupational health and safety standards.

Incorporation by reference

This report does not include any ESRS disclosure requirements or specific data points by reference. All required information is presented directly within this report.



GOVERNANCE

GOV-1 THE ROLE OF THE ADMINISTRATIVE,
MANAGEMENT AND SUPERVISORY BODIES

BOARD OF DIRECTORS

Tom WEISGERBER

Chairman of the Board of Cargolux,
Director

Giovanni GIALLOMBARDO

Chairman of the Board of Luxair S.A.,
Director

Christine GOY

Coordinatrice pour la révision du cadre légal
Ministry of State,
Director

**Société Nationale de Crédit et d'Investissement
(SNCI), Director (corporate mandate)
represented by**

Eva KREMER

Présidente du Comité de Direction SNCI.

Françoise THOMA

Chief Executive Officer,
Banque et Caisse d'Épargne de l'État,
Director

Marc REITER

Chargé de Direction,
Direction des transports aériens,
Ministry of Mobility and Public Works,
Director

Félicie WEYCKER

Premier Conseiller de Gouvernement,
DG I Affaires européennes et juridiques,
marchés publics et logistique,
Ministry of Mobility and Public Works,
Director

Xiao LI

Director of the Air Market Distribution Committee
Henan Civil Aviation Development & Investment Co.,
Ltd.,
Director²

Jianmin LIU

General Manager
Henan Civil Aviation Development & Investment Co.,
Ltd.,
Director¹

Binbin SHI

General Manager PMO, HNCA,
Head of the Culture and Tourism Department,
HNCA,
Director

Dongge WANG

Deputy Manager of Operation Management
Department,
Henan Civil Aviation Development & Investment Co.,
Ltd.,
Director

Dirk BECKER

Captain,
Director, Staff Representative

Christine DARGAN

Manager (Sr), Crew Control,
Director, Staff Representative

Michael KAISER

Captain,
Director, Staff Representative

Johannes WINGENFELD

Captain,
Director, Staff Representative

Yves ZIMMER

Technician (Sr) Line & Hangar Maintenance,
Director, Staff Representative

COMMITTEES OF THE BOARD
OF DIRECTORS

Audit Committee

Eva KREMER, Chairman
Françoise THOMA
Binbin SHI
Tom WEISGERBER

Compensation Committee

Tom WEISGERBER, Chairman
Christine GOY
Françoise THOMA
Dongge WANG

Footnotes

¹ until 6 January 2025

² since 10 February 2025



NUMBER OF BOARD MEMBERS

15

NUMBER OF NON-EXECUTIVE DIRECTORS
REPRESENTING SHAREHOLDER

10

NUMBER OF EMPLOYEE REPRESENTATIVES

5

NUMBER OF EXECUTIVE REPRESENTATIVES

0

NUMBER OF INDEPENDENT DIRECTORS

0

GENDER DIVERSITY RATIO

5/15
(33% female, 66% male)

EXECUTIVE COMMITTEE MEMBERS (EXCOM)



Richard Forson
President and Chief Executive Officer



Maxim Straus
Executive Vice-President and Chief Financial Officer



Domenico Ceci
Executive Vice-President
Sales & Marketing



Stephane Kastler
Executive Vice-President
Maintenance & Engineering



Pierandrea Galli
Executive Vice-President Commercial Planning



Claude Zehren
Executive Vice-President
Flight Operations





Governance Structure and Responsibilities

Cargolux operates under a one tier governance structure in line with Luxembourg law. The Board of Directors retains ultimate responsibility for the strategic direction of the company, for oversight of management, and for supervision of material risks, including sustainability related impacts, risks and opportunities. The governance structure and allocation of responsibilities for sustainability oversight remained unchanged compared to the prior reporting period.

The Executive Committee (ExCom), acting under delegation from the Board of Directors, is responsible for the day to day management of Cargolux. Executive Committee members collectively ensure that sustainability considerations are integrated into operational decision making and strategic execution, consistent with the company's long term objectives.

Oversight of sustainability related impacts, risks and opportunities

Responsibility for the coordinated oversight of sustainability related impacts, risks and opportunities is delegated to the Sustainability Steering Group (SSG). The SSG continues to serve as the central sustainability governance body within Cargolux and operates under a formal mandate granted by the President & Chief Executive Officer.

The role of the SSG includes the following:

- Oversee the implementation of sustainability policies, objectives and targets approved within the governance framework;
- Review sustainability related impacts, risks and opportunities identified through the company's materiality and risk management processes;
- Monitor progress against sustainability targets and key performance indicators;
- Escalate material sustainability matters to the Executive Committee and, where relevant, to the Board of Directors.

The SSG is composed of members of the Executive Committee, senior executives representing key business and support functions, and leadership of group-entities ensuring cross functional accountability for sustainability performance on a group level.

BOARD OF DIRECTORS



SUSTAINABILITY STEERING GROUP



Topic specific WORKING GROUPS

Carbon Efficiency
DEI
Human Rights
CSRD Taskforce



Management roles, reporting lines and escalation

The President & Chief Executive Officer, who reports to the Board of Directors, is a standing member of the Sustainability Steering Group and ensures that sustainability topics are appropriately escalated within the company's governance structure.

All Executive Committee members and leadership of Cargolux Italia, AFF and LCH participate in the SSG, enabling direct integration of sustainability considerations into executive decision making. Sustainability related matters reviewed by the SSG therefore form part of regular management deliberations rather than being addressed through parallel governance structures.

The SSG provides regular updates on sustainability performance, emerging risks and material developments to the Executive Committee. The Board of Directors receives structured reporting at least annually, or more frequently where the nature or materiality of the topic requires additional oversight.

Role of the CSO and the Sustainability Team

The Chief Sustainability Officer (CSO) chairs the Sustainability Steering Group and provides sustainability advice and guidance to the CEO, ExCom and leadership of group entities regarding sustainability strategy.

The sustainability team, led by the CSO, informs the governance groups at various levels in their individual specialist topics related to human rights, sustainability reporting, CSR, environmental management and sustainable aviation fuels as well as regulatory requirements across the sustainability spectrum.

Integration into governance mandates and internal controls

Sustainability responsibilities are embedded within Cargolux's governance framework through defined mandates, reporting lines and escalation mechanisms. Oversight of sustainability related impacts, risks and opportunities is integrated into existing executive and Board level governance processes and supported by dedicated controls and procedures embedded across internal functions.

These controls are implemented through established management systems and topic specific working groups operating under the SSG, ensuring that sustainability oversight is coordinated with operational, risk management and compliance processes and applied consistently across the organization.

Skills and expertise to oversee sustainability matters

Cargolux continues to ensure that appropriate sustainability related skills and expertise are available to its administrative, management and supervisory bodies. Specialist expertise is provided

by the Sustainability Team whose members cover key sustainability areas relevant to the company, including environmental management, emissions, sustainable aviation fuel, human rights and sustainability reporting.

In addition, sustainability competencies are progressively embedded across management roles. Following targeted executive and subject matter expert training disclosed in the previous reporting period, sustainability training programs for middle and senior management of Cargolux Airlines were expanded in 2025. These programs are designed to strengthen awareness of sustainability related risks and opportunities and to support managers in embedding sustainability considerations into their respective areas of responsibility. The adequacy of sustainability related competencies is periodically reviewed in cooperation between the Chief Sustainability Officer and the Human Resources function, with development needs addressed through ongoing training and leadership development initiatives.



**GOV-2 INFORMATION PROVIDED TO AND
SUSTAINABILITY MATTERS ADDRESSED
BY THE UNDERTAKING'S ADMINISTRATIVE,
MANAGEMENT AND SUPERVISORY BODIES**

Sustainability matters are addressed at Board and executive level through established governance structures, notably the Sustainability Steering Group (SSG) and dedicated working groups with representation from relevant functions. These bodies receive regular, structured information on sustainability topics identified through the company's Double Materiality Assessment and are responsible for monitoring progress on the implementation of related policies, actions, metrics and targets.

A central risk management system for identifying and evaluating material impacts, risks, and/or opportunities related to strategies and decisions concerning major transactions is in progress.

Sustainability risks and opportunities continued to be reviewed regularly. The Sustainability Steering Group (SSG) meets quarterly to discuss significant developments, assess the effectiveness of existing measures, and identify new topics relevant to management. The information provided to the administrative and management bodies increasingly combines qualitative analyses with structured, risk-based contributions, thereby supporting more informed oversight and decision-making.

While trade offs between environmental, social and economic considerations are not yet assessed through a fully formalized methodology, administrative and management bodies consider such trade offs in practice when reviewing strategic options and significant decisions. During the reporting period, work progressed to further embed cost benefit and risk based analyses, with the objective of enabling more explicit and transparent evaluation of trade offs in future reporting periods.

The sustainability matters addressed by Cargolux's administrative, management and supervisory bodies are derived from the Double Materiality Assessment and are prioritized based on the severity and likelihood of impacts, as well as financial materiality. These matters are reviewed regularly and inform both strategic planning and operational decision making.

The following are examples and non-exhaustive list of material topics that are discussed:

**Environmental matters**

Greenhouse gas emissions, aircraft noise, waste management, pollution prevention and fuel efficiency

**Social matters**

Occupational health and safety, employee wellbeing, diversity, equity and inclusion, training and development, and human rights

**Governance matters**

Ethical business conduct and responsible supply chain management

Cargolux considers the continued strengthening of governance processes around sustainability oversight to be a key enabler for effective risk management and long term value creation and will further enhance the depth and consistency of information provided to its administrative, management and supervisory bodies in the coming reporting cycles.

**GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED
PERFORMANCE IN INCENTIVE SCHEMES**

At present, the performance evaluation of its management and supervisory bodies does not include sustainability specifically.



GOV-4 STATEMENT ON DUE DILIGENCE

Cargolux applies a structured due diligence process to identify, prevent, mitigate, and account for actual and potential adverse impacts across its operations and value chain.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT	PAGES
a) Embedding due diligence in governance, strategy and business model	GOV-1: Governance structure and responsibilities (Board, ExCom, SSG roles) GOV-2: Sustainability matters addressed by governance bodies SBM-3: Material IROs	24, 28, 40
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2: Sustainability matters addressed by governance bodies SBM-2: Stakeholder engagement approach and mapping IRO-1: Stakeholder engagement of DMA E1-2: Stakeholder engagement in EMS S1-1: Stakeholder engagement in policy setting S1-2: Workforce engagement processes G1-1: Stakeholder engagement in policy setting	28, 38, 43, 52, 74, 81, 98
c) Identifying and assessing adverse impacts	IRO-1: DMA process and prioritization SBM-3: Material impacts tables E1-1, E1-2: Climate-related risks and opportunities E5-1: Resource use and circular economy policies	43, 40, 50, 63
d) Taking actions to address those adverse impacts	SBM-3: Mitigation actions for material topics E1-3: Climate actions (SAF, fleet renewal, contrail avoidance) E2-2: Pollution actions (Noise) E5-2: Circular economy actions (biodegradable plastics, PEFC wood) S1-4: Workforce actions and effectiveness G1-2: Supplier due diligence G1-3: Prevention of corruption and bribery	40, 53, 62, 63, 86, 109, 110
e) Tracking the effectiveness of these efforts and communicating	GOV-2: Governance monitoring and quarterly reviews GOV-4: Statement on due diligence GOV-5: Internal controls and ISO certifications E1-4 to E1-7: Climate targets and metrics E5-3 to E5-4: Resource use targets and inflows S1-4: Effectiveness of social actions	28, 29, 30, 56, 65, 86



**GOV-5 RISK MANAGEMENT AND INTERNAL
CONTROLS OVER SUSTAINABILITY REPORTING****Scope, main features and components**

Cargolux's risk management and internal control processes for sustainability reporting in 2025 apply to all Environmental, Social and Governance topics identified as material through the Group's double materiality assessment. These processes are embedded into existing organizational routines and supported by established management systems, contributing to the reliability, completeness and consistency of sustainability related information prepared in accordance with the ESRS.

Sustainability reporting controls currently build on existing operational and management processes rather than constituting a fully formalized standalone control framework specific to ESRS reporting. Responsibilities for data generation, validation and review are assigned across relevant functions and form part of established workflows, supported by structured internal coordination mechanisms that enable oversight, issue escalation and alignment across ESG topics. Existing certified management systems continue to provide a robust control environment for specific data domains, particularly environmental and occupational health and safety information. Key data points are subject to review and validation by the responsible functions prior to consolidation.

Cargolux is in the process of further defining and formalizing specific control processes tailored to ESRS sustainability reporting requirements, with the objective of strengthening consistency, traceability and auditability across all disclosure areas.

**Risk assessment approach
for sustainability reporting**

The assessment of risks related to sustainability reporting in 2025 remains primarily based on operational experience, cross functional interaction and insights from reporting and assurance activities, rather than a fully formalized risk assessment framework.

Cargolux relies on a combination of operational reviews, cross functional oversight and findings from the voluntary limited assurance engagement performed on the prior ESRS aligned sustainability report to identify and assess risks affecting sustainability disclosures.

Key elements of the current approach include:

- regular review of reporting processes and data flows by topic specific working groups;
- evaluation of reporting practices against ESRS requirements and internal guidance; and
- consideration of assurance findings and feedback from the 2024 reporting cycle.

This approach enables the identification of risks related to data accuracy, methodological consistency, disclosure coverage and control effectiveness, while informing the ongoing development of a more structured and formalized sustainability reporting risk management framework aligned with ESRS expectations.

Main risks and mitigation measures

The main risks identified in relation to sustainability reporting primarily relate to process maturity and system integration. These include dependencies on manual data collection and consolidation, risks of inconsistent interpretation of reporting requirements across data owners, and incomplete coverage of certain ESRS datapoints as reporting practices continue to evolve.

To address these risks, Cargolux has established a structured sustainability reporting system combining defined governance, data ownership and supporting tools. A dedicated sustainability reporting platform is used to collect, consolidate and review ESG data, enhancing traceability, transparency and auditability of reported information. The platform is actively used in the reporting process, including in the context of external assurance.

Clear ownership of sustainability data has been defined across the organization, with designated data owners responsible for the provision and validation of information within their respective domains. The Analyst Sustainability Reporting,

member of the CSR Team, coordinates the reporting process and acts as the primary point of contact for data owners, supporting consistency in the interpretation and application of reporting requirements.

This reporting system is supported by an established governance structure in the form of a CSRD taskforce, comprising representatives from relevant functions and Group entities. The taskforce, chaired by the Senior Manager CSR, oversees the sustainability reporting process, facilitates alignment across data owners, and supports the completeness and consistency of disclosures.

Sustainability reporting for the Group has been formally documented and is currently being finalized. It is already used as a reference by data owners and provides guidance on data definitions, calculation methodologies and reporting responsibilities, contributing to a shared understanding of reporting requirements across the organization.

While manual processes remain in place for selected data points, these are managed within the established reporting structure and are subject to defined coordination and review procedures, including validation by the responsible data owners prior to consolidation. Cargolux continues to enhance this system as part of its progressive alignment with ESRS requirements and preparation for CSRD reporting.



Integration into internal functions and processes

Findings from sustainability reporting risk assessments and internal control activities are used to continuously refine reporting practices and supporting processes. Identified issues, including data inconsistencies, methodological clarifications or gaps in disclosure coverage, are translated into updates to internal guidance, data collection templates and reporting workflows.

These improvements are implemented within existing functional responsibilities, ensuring that sustainability reporting requirements are progressively embedded into operational processes rather than managed as standalone exercises.

The Sustainability Steering Group and supporting working groups play a central role in translating lessons learned into procedural refinements, supporting the continuous strengthening of reporting practices across the organization.

Reporting to administrative, management and supervisory bodies

In 2025, the reporting of sustainability reporting risks and internal control observations to administrative, management and supervisory bodies remains under development as part of the broader formalization of the sustainability reporting framework.

At this stage, key observations and improvement needs identified through reporting reviews and assurance related feedback are discussed within established sustainability governance channels. As the risk assessment and internal control framework continues to mature, Cargolux plans to further structure the periodic communication of sustainability reporting related risks, control effectiveness and remediation actions to relevant governance bodies.



STRATEGY

SBM-1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Strategy & Business Model

The Cargolux Group, headquartered in Luxembourg, operates as an integrated aviation and aviation related services group, with activities spanning global air cargo transport, cargo handling and specialized aerial firefighting. The Group's strategy is focused on delivering safe, reliable and compliant services that support global supply chains, emergency response capabilities and long term value creation in a complex and highly regulated environment.

Sustainability considerations are embedded across strategic decision making processes and operational planning. The Group's strategic priorities are shaped by climate related transition and physical risks, geopolitical developments, evolving customer expectations regarding ESG performance, workforce availability and regulatory requirements across multiple jurisdictions. These factors directly influence fleet management, network planning, fuel strategy, operational efficiency initiatives, workforce development and stakeholder engagement.

Cargolux, as the parent company, defines the Group's overarching strategy, sustainability objectives and governance framework. Group wide policies, management systems and control processes apply across all entities, while implementation is proportionate to each entity's scale, operational scope and maturity.

The Group operates through four entities:



Cargolux Airlines International S.A. and Cargolux Italia S.p.A., providing long haul air cargo services;



Luxcargo Handling S.A. (LCH), providing cargo handling and ground operations at Luxembourg Airport;



Aquarius Aerial Firefighting S.A. (AFF), providing aerial wildfire suppression services to public authorities.

Significant Markets and Customer Groups Served

The Group's significant markets and customer groups reflect its activities across global air cargo transport, cargo handling and specialized aerial firefighting.

Cargolux Airlines serves the global air freight market through scheduled and charter air cargo services across major international trade lanes. Its significant markets include Europe, Asia-Pacific, North and South America, the Middle East, Africa and other commercial gateways connected through the Group's worldwide network and supporting road feeder services offered in China, Europe and the USA. Cargolux operates an extensive global network spanning more than 50 destinations and uses road feeder services to connect intercontinental air freight to and from Luxembourg across Europe. Its significant customer groups include freight forwarders, logistics providers, charter customers and customers requiring specialized air cargo solutions via their forwarders, including general cargo, pharmaceuticals and healthcare products, live animals, perishables, valuable cargo, dangerous goods, heavy and outsize cargo, and other time sensitive shipments.

Cargolux Italia serves the Italian and international air cargo market from its base at Milan Malpensa. The entity was established to serve the Italian market, one of Europe's important import and

export markets, and operates flights from Milan to international destinations including Hong Kong, Narita and Zhengzhou. Its significant customer groups are aligned with the wider Cargolux commercial offering and include freight forwarders and logistics providers requiring long haul air cargo capacity and specialized freight services.

Luxcargo Handling serves the cargo ground handling market at Luxembourg Airport. Its significant market is the Luxembourg air cargo platform, which is integrated into global air cargo networks. LCH operates Luxembourg Airport's cargo center and provides cargo handling, warehousing and cargo processing services to cargo airlines, freight forwarders, logistics providers and other participants in the airport cargo community. The entity is equipped to handle a wide range of commodities, including high-tech and valuable cargo, live animals, perishables, dangerous goods and outsize shipments.

Aquarius Aerial Firefighting serves the aerial firefighting market. Its significant markets include Europe and other jurisdictions where wildfire suppression capacity is required. Its significant customer groups include public authorities, civil protection agencies and other governmental or institutional customers responsible for wildfire response and emergency management. Aquarius Aerial Firefighting's services support the protection of human lives, property, natural resources and wildlife.

During the reporting period, the Group's significant markets and customer groups remained broadly consistent with its business model. The main development was the progressive integration and operational development of LCH and AFF, which expanded the Group's aviation-related service profile beyond long haul air cargo transport to include cargo ground handling customers and public-sector aerial firefighting customers.

Products and services banned in certain markets

Cargolux Airlines and Cargolux Italia do not offer products or services that are banned in the markets in which they operate. The group's air cargo services are subject to export control regulations, sanctions regimes, security requirements and international trade restrictions, which may prohibit the transport of certain goods, technologies or destinations depending on the applicable jurisdiction.

Certain categories of cargo are restricted or prohibited from transportation on specific routes or to specific countries due to trade embargoes, dual use regulations, public health measures or international treaties. In addition, the airlines apply internal cargo acceptance and embargo policies that exclude specific goods or services based on ethical, sustainability, safety or reputational considerations, including concerns related to child labor, and transport safety.

Compliance with these restrictions is ensured through export control screening, cargo acceptance processes, contractual safeguards and regulatory oversight, supported by internal policies and applicable legal requirements. These measures prevent the airlines from facilitating unlawful, prohibited or ethically restricted trade and ensure that offered services remain compliant across all markets of operation.

Qualitative identification of relevant ESRS Sectors

Cargolux Airlines and Cargolux Italia operate within the transportation sector, specifically in air freight logistics. While ESRS sector classifications focus primarily on road transport, the Group's core activities align with the broader freight transport segment due to their global cargo operations.

Based on the Group's activities and exposure to sustainability related impacts, risks and opportunities, the following ESRS sectors are considered relevant:



Transportation – Other Transportation (Air Freight)

Core operations are associated with fuel consumption, greenhouse gas emissions, noise and occupational safety considerations.



Utilities – Power Production and Energy

The reliance on aviation fuel and the transition towards Sustainable Aviation Fuel (SAF) links the Group to the energy sector and associated climate transition dynamics.



Manufacturing – Aerospace and Equipment

Aircraft manufacturers and suppliers of aircraft parts and equipment form a critical part of the Group's upstream value chain, influencing fuel efficiency, emissions performance and operational reliability.

The identification above represents a qualitative assessment of ESRS sectors considered relevant to the Group's activities, value chain relationships and exposure to sustainability-related impacts, risks and opportunities. A quantitative revenue breakdown by ESRS sector and a reconciliation to financial reporting structures are not disclosed in this voluntary ESRS-aligned report, as the Group is still developing the internal classification and reporting methodology required to produce this information on a consistent basis.

Strategic Elements Impacting Sustainability Matters

Several strategic elements influence how sustainability matters are addressed within the Group:



Fleet modernization

Investment in modern aircraft and new technologies is a key lever to improve fuel efficiency, reduce emissions and support the Group's long-term decarbonization objectives.



Operational efficiency

Continuous optimization of fleet utilization and operational procedures supports fuel efficiency and emissions reduction.



Sustainable Aviation Fuel (SAF)

The procurement and integration of SAF, subject to availability and commercial viability, are central to the Group's long term decarbonization strategy.





Non CO₂ emissions and contrails

The Group continues to monitor and assess emerging approaches to contrail avoidance and broader non CO₂ climate impacts.



Regulatory environment

The Group operates across jurisdictions with differing sustainability related obligations, requiring robust compliance systems and engagement with regulators.



Customer engagement

Increasing customer demand for lower emission logistics solutions and ESG transparency shapes commercial and operational priorities.



Digitalization

Investments in digital systems support efficiency, safety, compliance and data transparency across operations.

Assessment of products, services, markets and stakeholder relationships in relation to sustainability-related goals

The Group has assessed the relationship between its significant products and services, customer categories, geographical areas and stakeholder relationships and its sustainability-related goals. This assessment confirms that the Group's activities are broadly linked to its objectives on safety, compliance, operational resilience, workforce development, emissions management, climate adaptation, ethical conduct and transparency.

Cargolux Airlines and Cargolux Italia provide long-haul air cargo services that support global supply chains and time-sensitive logistics needs. These services are strategically linked to the Group's sustainability-related goals, particularly safe operations, regulatory compliance, operational efficiency, emissions reporting and long-term decarbonization. At the same time, air cargo represents the principal source of the Group's environmental footprint; therefore, fleet and operational efficiency measures, fuel-management practices and Sustainable Aviation Fuel initiatives are central to the Group's transition approach.

The Group's customer base, including specialized industries such as pharmaceuticals, perishables, live animals, high tech and other time-sensitive sectors, increasingly expects reliable service,

safety performance and transparent ESG information. These expectations reinforce the Group's goals related to operational excellence, emissions transparency, responsible business conduct and governance.

From a geographical perspective, the Group operates across a global network, with significant markets in Europe, Asia-Pacific, North and South America, the Middle East, Africa and other international trade gateways. This global operating footprint exposes the Group to diverse regulatory, environmental, social and geopolitical conditions. Sustainability-related goals therefore focus on maintaining consistent safety and compliance standards, managing the environmental footprint of operations, supporting employees across the network and engaging responsibly with communities and authorities in relevant locations.

lux
cargo
HANDLING

Luxcargo Handling contributes to the Group's sustainability-related goals through cargo ground-handling services at Luxembourg Airport. Its activities support operational efficiency, safety performance, process digitalization, infrastructure modernization and workforce development. As a key interface between airport infrastructure, airlines, freight forwarders and logistics providers, LCH plays an important role in supporting safe, reliable and efficient cargo flows through the Luxembourg air cargo platform.

aquarius
aerial firefighting

Aquarius Aerial Firefighting provides aerial wildfire-suppression services to public authorities and emergency-response stakeholders. Its services are directly linked to environmental protection, climate adaptation and community resilience, as they contribute to the protection of human lives, property, natural resources and wildlife in regions exposed to wildfire risk. As a developing entity, AFF continues to build operational and governance maturity while applying relevant Group standards.

These elements collectively influence the Group's ability to manage sustainability risks and opportunities while maintaining competitiveness in global markets.



Stakeholder relationships are central to the Group's ability to deliver on its sustainability-related goals. Employees, regulators, customers, suppliers, airport partners, public authorities and emergency-response agencies are engaged through safety and compliance systems, operational coordination, contractual arrangements, workforce development, ESG reporting and governance processes. These relationships support the Group's objectives on safety, ethical conduct, transparency, operational resilience and long-term value creation.

Business model and value chain

The Cargolux Group's business model transforms aviation assets, skilled personnel, energy inputs and digital systems into air cargo, cargo ground handling and emergency response services.

- Upstream value chain activities include aircraft and equipment manufacturing, fuel and SAF supply, maintenance services, airport and air navigation services, digital system providers, ground support equipment suppliers and financial institutions.
- Internal value creation activities encompass flight operations, cargo handling, aircraft maintenance, safety and compliance management, digital process management and specialized mission execution.

- Downstream value chain activities involve freight forwarders, shippers, logistics providers, airlines and public authorities relying on the Group's services for supply chain continuity and emergency response.

Within this value chain:

- Cargolux Airlines and Cargolux Italia operate at the core of the global air cargo value chain;
- Luxcargo Handling functions as a key interface between airport infrastructure and cargo operators at Luxembourg Airport;
- Aquarius Aerial Firefighting operates within the civil protection value chain as a specialized end service provider.

Business model inputs, outputs and outcomes

The Cargolux Group business model relies on several key production factors, including aircraft and fleet assets, aviation fuel, spare parts, airport and air navigation infrastructure, cargo handling infrastructure, digital systems and specialized aviation personnel. These inputs support the Group's air cargo, cargo handling and aerial firefighting activities.

The Group secures these inputs through supplier and service provider arrangements, fleet and maintenance planning, fuel procurement, regulatory approvals, safety and compliance management systems, and training programs for operational, technical and administrative staff. For Luxcargo Handling, key inputs also include warehousing infrastructure, ground support equipment, cold-chain facilities and cargo documentation systems. For Aquarius Aerial Firefighting, key inputs include specialized firefighting aircraft, mission equipment, trained flight and mission personnel, and coordination systems with civil protection authorities.

The Group's core outputs are global air freight services, charter services, specialized cargo solutions, cargo handling and warehousing services, cold-chain and special cargo processing, and aerial

firefighting services. These outputs result in current and expected outcomes for customers and other stakeholders, including reliable air cargo capacity, protection of sensitive cargo, resilient cargo flows through Luxembourg Airport and emergency response capability.

The current and expected benefits of the Group's business model include support for global supply chains, operational reliability, specialized logistics capacity, emergency response and climate resilience through aerial firefighting, employment and skills development in aviation-related professions, and long-term value creation for shareholders and investors. The Group also seeks to reduce environmental impacts through operational efficiency, SAF-related initiatives and electrification of ground support equipment where feasible.



Cargolux Group Value Chain



UPSTREAM

GOODS, SERVICES AND INFRASTRUCTURE REQUIRED
TO SUPPORT THE GROUP'S ACTIVITIES

GOODS, SERVICES AND INFRASTRUCTURE

- Aircraft, equipment and spare parts
- Fuel and energy
- Ground support and warehouse equipment
- Airport, air navigation and infrastructure services
- External operational and professional services
- IT, security, financial and other business services
- Transport and logistics partners
- Regulatory, customs and public authorities

OWN OPERATIONS

ACTIVITIES CARRIED OUT DIRECTLY
BY THE GROUP ENTITIES

AIR CARGO, GROUND HANDLING AND AERIAL FIREFIGHTING SERVICES

- Air freight operations
- Ground handling operations
- Aircraft maintenance & engineering
- Aerial firefighting operations
- Crew, maintenance and ground operations training
- Administrative and corporate functions



DOWNSTREAM

CUSTOMERS, SERVICE USERS, LOGISTICS PARTNERS
AND WIDER BENEFICIARIES OF THE GROUP'S SERVICES

CUSTOMERS, SERVICE USERS AND BENEFICIARIES

- Freight forwarders, shippers and consignees
- Air cargo airlines and ground handling customers
- Public authorities and emergency response customers
- Airport authorities and aviation partners
- Onward transport and logistics service providers
- Communities, infrastructure and natural environments benefiting from aerial firefighting services



OPERATIONAL SAFETY AT THE CORE OF THE CARGOLUX BUSINESS MODEL

AVIATION SAFETY MANAGEMENT, SAFETY CULTURE AND FATIGUE RISK MANAGEMENT

"Safety is a value. A value that begins with each individual. It is Cargolux's unwavering commitment to protect people, aircraft, assets and everything entrusted to our care, in all activities and across the entire value chain."

Cargolux Safety Value Definition

Operating in a high-risk, highly regulated industry, Cargolux maintains a mature and comprehensive Aviation Safety Management System (SMS) as a core element of its governance framework, operational resilience and sustainable performance. The SMS is aligned with the Standards and Recommended Practices of the International Civil Aviation Organization (ICAO), complies with European Union Aviation Safety Agency (EASA) requirements, and is approved by the Luxembourg Civil Aviation Authority.

The SMS applies across all regulated domains, including Flight Operations, Maintenance and Engineering, Training and Design activities. In addition, and beyond regulatory requirements, Cargolux applies the same safety management principles, risk assessment methodologies and performance standards to Ground Operations, ensuring consistent and systematic safety risk management wherever operational exposure exists.

Safety responsibilities, accountabilities and escalation pathways are clearly defined within the Cargolux Management System and are mandatory for all operational stakeholders. Safety objectives focus on the continuous identification of hazards, management of safety risks to as low as reasonably practicable, and continuous improvement of safety performance. Progress is monitored through defined safety performance indicators, which are reviewed regularly at management and governance level.

Hazard identification and risk management are embedded in day-to-day operations, planning activities and strategic decision-making. Multiple proactive and reactive data sources are used, including safety reports, audits, investigations, flight data monitoring and structured, risk-based management of change. Particular attention is given to organizational, operational and external changes to ensure that emerging risks are identified and mitigated before operational exposure.

FATIGUE RISK MANAGEMENT SYSTEM (FRMS)

Crew fatigue is recognized as a significant operational hazard and a contributing factor to aviation safety risk. In addition to compliance with prescriptive flight and duty time limitations, Cargolux has implemented a full-fledged Fatigue Risk Management System (FRMS) that exceeds basic regulatory requirements and is integrated into the Safety Management System.

The FRMS combines reactive, proactive and predictive safety management elements. It includes systematic monitoring and trend analysis of fatigue-related safety reports, as well as the use of a biomathematical fatigue prediction model to support strategic fatigue risk management. This model is applied during the flight crew roster planning phase to assess predicted fatigue exposure and is complemented by live, day-to-day operational monitoring and mitigation of fatigue risk.

A dedicated Fatigue Safety Action Group provides tactical assurance of the FRMS within the safety governance structure. The group promotes fatigue reporting, reviews fatigue risk data and trends, proposes mitigation measures for Flight Operations, and ensures that fatigue-related policies, objectives and controls are defined, implemented and followed up. This governance structure supports continuous improvement of the FRMS and alignment with overall safety and business objectives.

SAFETY CULTURE, ASSURANCE AND GOVERNANCE

A mature reporting culture is a key element of the safety management framework and serves as an essential operational safety barrier. Employees are encouraged to report safety concerns, hazards and occurrences without fear of reprisal, supported by a Just Culture Policy and defined reporting processes. A consistent increase in safety reporting is used as an indicator of safety culture maturity and enables early trend identification and preventive action.

Safety assurance is achieved through performance monitoring, internal oversight, audits, investigations and active, structured management of change. Tactical risk mitigation is coordinated through Safety Action Groups, while strategic oversight is provided by the Safety Review Board, chaired by the Accountable Manager and including designated Nominated Persons.



**FINANCIAL AND REPUTATIONAL
RISK MANAGEMENT**

(ESRS – FINANCIAL MATERIALITY)

Aviation safety incidents, including those linked to human performance and fatigue, may result in significant financial and reputational impacts. These include operational disruption, asset damage, regulatory action, insurance exposure and loss of stakeholder confidence. Aircraft asset damage risks are assessed as financially material and are considered through the integration of damage costs into Risk Assessments within the Safety Management System, such as event and report investigations and Safety Risk Assessments.

The SMS and FRMS provide operational mechanisms to identify, assess and mitigate safety and fatigue-related risks before they materialize into incidents with financial or reputational consequences. Governance oversight ensures that these risks remain within defined risk tolerance levels and are aligned with the company's long-term sustainability and business objectives.

Through a disciplined, value-based approach to safety and fatigue risk management, Cargolux strengthens its ability to anticipate and manage operational risk, protect people and assets, and safeguard long-term financial resilience—positioning safety as a key enabler of sustainable performance.

SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS**Stakeholder Engagement Approach**

Cargolux Group applies a structured and systematic stakeholder engagement approach to capture and integrate the interests, views and expectations of stakeholders that are affected by, or may influence, the Group's activities across its own operations and value chain. Engagement outcomes directly inform the identification and assessment of impacts, risks and opportunities (IROs), the update of the Double Materiality Assessment (DMA), and the refinement of sustainability priorities, actions and decision making.

Building on the engagement framework established in the previous reporting cycle, stakeholder engagement for the 2025 reporting period focused on refreshing stakeholder priorities, deepening qualitative insights, and strengthening links between stakeholder feedback and strategic outcomes. Engagement activities were conducted in alignment with the AA1000 Stakeholder Engagement Standard (AA1000SES) and covered upstream, own operations and downstream activities.

Key stakeholder groups

Based on the 2025 stakeholder mapping and prioritization exercise, the Group identified key stakeholders as those with a high degree of dependency on the Group's activities and/or a high level of influence on its ability to operate, create value and manage sustainability related risks and opportunities.

Key stakeholder groups in 2025 include:

- **Internal stakeholders:** employees across Group entities, non employee workers (including contractors), management and leadership.
- **External stakeholders:** customers and logistics partners, suppliers and subcontractors (including fuel suppliers, handling agents, maintenance and service providers), financial institutions and insurers, and airports.
- **Community and societal stakeholders:** local communities, NGOs, professional associations, and education and research institutions.

The composition of stakeholder groups remains broadly consistent with the prior year, while engagement focus areas were adapted to reflect changes in the Group's activities, regulatory context and sustainability risk profile.



Organization of stakeholder engagement

Sustainability stakeholder engagement is coordinated centrally by the CSR team, in close cooperation with relevant internal parties, including the Executive Committee, Human Resources, Finance, Sales, Procurement, Fuel Management, Maintenance & Engineering, Corporate Communications and Luxcargo Handling.

Key organizational elements in 2025 included:

- the application of a formal stakeholder prioritization methodology considering dependency, influence, vulnerability, dialogue capacity and ESG interest;
- tailored engagement formats by stakeholder category (targeted interviews, sustainability surveys, workshops and bilateral exchanges);
- internal validation sessions to integrate stakeholder input into the DMA and sustainability prioritization;
- safeguards for confidentiality, anonymity and data protection; and
- structured analysis and documentation of qualitative and quantitative feedback.

Lessons learned from prior engagement cycles were used to improve survey design, stakeholder representativeness and internal coordination.

Purpose and use of engagement outcomes

The primary objectives of stakeholder engagement in 2025 were to:

- understand evolving stakeholder expectations in relation to environmental, social and governance topics;
- identify and reassess actual and potential impacts, risks and opportunities across the value chain;
- validate and refine material sustainability topics under the DMA;
- inform sustainability strategy, objectives, action plans and disclosures; and
- strengthen transparency, trust and long term stakeholder relationships.

Stakeholder input in 2025 continued to confirm the material relevance of key topics such as climate change, occupational health and safety, working conditions, human rights, ethical business conduct and governance. Feedback was also used to identify areas requiring enhanced action, clearer communication or stronger integration into operational decision making.

Influence on strategy and business model

Stakeholder engagement outcomes have contributed to ongoing refinements of the Group's strategy and business model. In 2025, this included:

- further integration of ESG considerations into strategic planning, risk management and operational processes;
- continued development of the Group's decarbonization approach, including SAF readiness, fuel efficiency measures and waste reduction initiatives;
- reinforcement of workforce related initiatives, including employer branding, youth engagement and skills development;
- enhanced collaboration with suppliers on sustainability criteria and environmental improvement initiatives; and
- sustained engagement with regulators and industry bodies to align with evolving policy and sector wide sustainability developments.

These adjustments reflect a progressive response to stakeholder expectations rather than fundamental changes to the core business model.

Planned improvements and next steps

Looking ahead, the Group plans to further strengthen stakeholder engagement and the use of its outcomes, including:

- continued enhancement of ESG performance dashboards to support decision making and reporting;
- expansion of SAF related partnerships and pilot initiatives;
- rollout of updated supplier sustainability requirements and onboarding processes; and
- exploration of more structured stakeholder dialogue formats for selected strategic ESG topics.

The administrative, management and supervisory bodies are regularly informed of stakeholder views and engagement outcomes through existing governance and reporting processes. This includes the integration of stakeholder-related insights into the Double Materiality Assessment, sustainability reporting, risk management discussions and strategic planning processes, which are reviewed at senior management level.



SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Cargolux has identified its material impacts, risks and opportunities (IROs) through its Double Materiality Assessment, reflecting the environmental, social and governance dimensions of its activities as a global cargo airline.

These IROs arise primarily from the Group's core operations, including aircraft operations, cargo handling, and associated logistics activities, as well as from its relationships with suppliers, service providers, customers and other stakeholders across the value chain. The identified IROs reflect both actual and potential impacts on the environment and society (inside out perspective), as well as risks and opportunities that may affect the Group's financial performance and long term positioning (outside in perspective).

Environmental

The most significant environmental impacts arise from the energy intensive nature of air cargo operations, which rely predominantly on fossil based jet fuel. This results in material greenhouse gas emissions and contributes to climate change. In addition, operations generate environmental externalities such as noise, air emissions, and waste, while also requiring substantial material inputs for maintenance and cargo handling.

These impacts are inherently linked to the Group's business model, which depends on long haul aircraft operations and global logistics networks. Environmental considerations therefore directly influence fleet strategy, operational efficiency measures, infrastructure investments and long term transition planning.

From a risk perspective, the Group is exposed to energy price volatility, carbon pricing mechanisms and increasingly stringent environmental regulation, which may affect operating costs and financial performance. At the same time, opportunities arise from investments in energy efficiency, fleet renewal, sustainable aviation fuels (SAF), and circular economy practices, which can strengthen competitiveness and reduce environmental impacts over time.

Environmental impacts and risks occur primarily within own operations, but extend to the upstream value chain through fuel production, materials and supply chains, and to the downstream value chain through logistics activities. These impacts persist across short, medium and long term time horizons.

Social

Cargolux's material social impacts, risks and opportunities are primarily linked to its own workforce, reflecting the labor intensive and safety critical nature of aviation.

The Group generates positive impacts through stable employment, competitive and regulated remuneration structures, training and skills development programs, and established occupational health and safety practices. These contribute to workforce wellbeing, operational reliability and long term organizational performance.

At the same time, the nature of continuous and shift based operations creates challenges related to work life balance and employee wellbeing. In certain areas, the use of temporary employment contracts may result in job insecurity for a portion of the workforce. In addition, structural shortages of qualified personnel represent a material risk to operational continuity and growth.

Social impacts are closely connected to the Group's strategy and business model, as the availability, engagement and safety of skilled personnel are critical to maintaining high operational standards. These impacts are concentrated within own operations, while certain aspects, such as health and safety and data protection, extend to business relationships across the value chain.

Opportunities related to workforce development, improved working conditions and enhanced employee engagement contribute to increased productivity, retention and organizational resilience over the medium to long term.

Governance

Governance related IROs reflect the importance of integrity, accountability and responsible business conduct in a highly regulated and global operating environment.

The Group generates positive impacts through a strong corporate culture, established organizational values and effective governance frameworks, including confidential reporting mechanisms (whistleblowing). These elements support ethical conduct, transparency and trust across the organization.

In addition, governance practices underpin responsible operational activities, including the certified and ethical handling of specialized cargo such as live animals and sensitive goods. These activities contribute to compliance with international standards and reinforce stakeholder trust.

From a financial perspective, governance related opportunities arise from strengthening anti corruption and anti bribery frameworks, enhancing supplier relationships, ensuring certified transport and storage processes, and maintaining ethical communication practices. These opportunities contribute to mitigating risks, improving operational resilience and strengthening the Group's market position.





Governance impacts and opportunities originate primarily from own operations, including leadership, internal controls and compliance systems, as well as from relationships with suppliers, partners and customers across the value chain. They are relevant across all time horizons, given their role as foundational elements of the business model.

Financial effects

The identified material risks and opportunities have implications for the Group's financial position, financial performance and cash flows.

In the short term, financial performance is primarily influenced by factors such as fuel costs, labor costs and compliance related expenditures, including exposure to carbon pricing mechanisms and regulatory requirements. These factors directly affect operating margins and cash flow generation.

Over the medium to long term, financial performance is expected to be increasingly shaped by strategic investments in fleet renewal, energy efficiency, sustainable aviation fuels, workforce development and governance systems. These investments may require increased capital expenditure and operating costs in the short term, while supporting long term operational efficiency, regulatory compliance and resilience.

The scale and timing of these financial effects remain subject to external factors, including market conditions, regulatory developments, fuel prices and labor market dynamics. Funding of strategic initiatives is expected to be supported through operating cash flows and existing financing arrangements.

Based on the current assessment, these impacts, risks and opportunities have not been identified as having a material effect on the Group's financial position, performance or cash flows for the reporting period.

Resilience of strategy and business model

Cargolux's strategy and business model demonstrate a strong level of resilience with regard to the identified material impacts, risks and opportunities.

Operational resilience is supported by the Group's established position in the global air cargo market, its diversified route network, and its ability to adapt to fluctuations in demand and external disruptions. Governance frameworks, safety systems and workforce capabilities further strengthen resilience across operations.



However, the business model remains exposed to long term transition factors, particularly those related to climate transition, including reliance on fossil fuels and evolving regulatory requirements, which may influence future cost structures and operations. However, these factors are not currently considered material from a financial perspective based on the assessments performed for the reporting period.

Resilience is therefore contingent upon the Group's ability to implement its strategic initiatives, including investments in fleet modernization, sustainable fuels, operational efficiency, workforce development and governance systems, while adapting to changing external conditions.

The resilience assessment is qualitative and considers short, medium and long term time horizons in line with ESRS definitions. It is based on current assumptions and available information and remains subject to uncertainties, particularly in relation to regulatory developments, market conditions and the pace of technological change.

Over time, these impacts, risks and opportunities are expected to progressively influence the Group's strategic direction, including the evolution of its fleet, energy use, operational practices and partnerships, in response to regulatory developments and market expectations.

Changes compared to previous reporting period

No significant changes were identified in the nature of the Group's material impacts, risks and opportunities compared to the previous reporting period. Changes primarily reflect the refinement of the Double Materiality Assessment methodology, improved data availability and the integration of newly established Group entities.

ESRS and entity specific disclosures

The material impacts, risks and opportunities disclosed in this section are primarily covered under the relevant ESRS topical standards, including ESRS-E1, E2, E5, S1 and G1. Where necessary, entity specific information has been included to reflect the specific operational context and business model of Cargolux.

IRO TOPIC	I/R/O	VALUE CHAIN	TIME HORIZON	STRATEGIC RELEVANCE	CROSS-REFERENCE
 Climate & energy	Impact & Risk	Own + upstream	S/M/L	Core cost driver and emissions source	E1 (p. 50)
 Resource use & waste	Impact & Risk	Own + upstream	S/M/L	Operational efficiency and compliance	E5 (p. 63)
 Workforce	Impact & Risk	Own ops	S/M/L	Critical for safe and reliable operations	S1 (p. 71)
 Governance & ethics	Impact & Opportunity	Own + VC	S/M/L	Enables compliance and trust	G1 (p. 97)



IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IRO-1 DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Double Materiality Assessment (DMA)

The Cargolux Group applies a structured Double Materiality Assessment (DMA) to identify, assess, prioritize and monitor its material sustainability related impacts, risks and opportunities (IROs), in line with ESRS-1 (General Requirements) and ESRS-2 (General Disclosures).

The DMA considers two complementary perspectives, which are applied in parallel and with equal importance:

- **Impact materiality** (inside out), assessing the Group's actual and potential positive and negative impacts on people, the environment and human rights; and
- **Financial materiality** (outside in), assessing sustainability related risks and opportunities that may affect financial performance, cash flows or enterprise value over the short, medium and long term.

The objective of the DMA is to identify the sustainability matters that are material for the Cargolux Group and therefore subject to disclosure under the ESRS.

Scope of analysis

The 2025 assessment covers Cargolux Airlines International S.A., Cargolux Italia S.p.A., Luxcargo Handling S.A. and Aquarius Aerial Firefighting S.à r.l. The analysis encompasses the Group's own operations as well as its upstream and downstream value chain, including key suppliers, business partners, customers, airports and service providers, irrespective of financial consolidation.

The DMA is conducted at Group and value chain level. While impacts are not yet differentiated by individual geographic location, activities, business relationships and sector specific risk profiles that give rise to heightened risks of adverse impacts are explicitly considered.

The identification and assessment process places particular emphasis on activities and business relationships that are associated with a higher likelihood or severity of adverse sustainability impacts.

This focus is operationalized through the analysis of the Group's operational characteristics and value chain, including its air cargo, ground handling and aerial firefighting activities, as well as its upstream and downstream business relationships with suppliers, airports, contractors, customers and logistics partners. These activities and relationships are assessed using sector-specific benchmarks and external reference frameworks for the aviation and transportation sectors, which identify areas typically associated with elevated environmental and social risks.

These risk factors are systematically taken into account during the pre-identification of impacts, risks and opportunities and are further assessed through the application of ESRS-aligned severity and likelihood criteria. In particular, the assessment emphasizes impacts with higher severity, including those affecting people and human rights, in line with the Group's severity-based approach to impact materiality.

While the process does not yet differentiate impacts by individual geographic locations, activity-based and sector-based risk factors are used as primary indicators to identify areas that may give rise to heightened risks of adverse impacts. The integration of geographic differentiation has been identified as an area for future enhancement.

Methodology for identifying IROs

The identification and assessment process is informed by a combination of internal data, stakeholder input, sector benchmarks and external reference frameworks, as well as defined value chain boundaries, time horizons and qualitative and quantitative assumptions embedded in the Group's scoring approach.

IRO identification follows a structured, multi step process, informed by the Group's due diligence approach and supported by recognized external frameworks and sector tools. The main steps are illustrated in the accompanying process graphic and comprise:

1. Context analysis and value chain mapping, reflecting the Group's business model, activities and dependencies;
2. Pre identification of potential impacts, risks and opportunities using ESRS requirements, sector specific benchmarks and external reference frameworks, including GRI, SASB, the MSCI ESG Industry Materiality Map and the UNEP FI Portfolio Impact Tool;
3. Internal validation and refinement through cross functional workshops involving relevant departments and operational entities;



4. Stakeholder consultation to inform and validate the identification of impacts, risks and opportunities; and

5. Scoring, prioritization and determination of material matters using ESRS aligned criteria and thresholds.

Impact materiality assessment (inside out)

For impact materiality, actual and potential impacts on people and the environment are assessed in accordance with ESRS severity criteria:

- Actual negative impacts are assessed based on scale, scope and irremediability;
- Potential negative impacts are assessed based on scale, scope, irremediability and likelihood;
- Actual positive impacts are assessed based on scale and scope; and
- Potential positive impacts are assessed based on scale, scope and likelihood.

For negative impacts, severity is prioritized over likelihood, in line with ESRS requirements. Human rights related impacts are subject to a severity override, whereby severe impacts are considered material regardless of likelihood, consistent with the UN Guiding Principles on Business and Human Rights.

A sustainability topic is considered material from an impact perspective if at least one related impact is assessed as material.

Financial materiality assessment (outside in)

For financial materiality, sustainability related risks and opportunities are assessed based on:

- the magnitude of the potential financial effect, and
- the likelihood of occurrence,

across short, medium and long term time horizons.

A five point scoring scale is applied to both magnitude and likelihood. Financial materiality scores are derived from the combination of these criteria, and defined qualitative and quantitative thresholds are used to determine materiality in accordance with ESRS-1, section 3.5.

Materiality is determined based on the application of the defined scoring approach and thresholds for both impact and financial materiality.

For impact materiality, impacts are assessed using ESRS-aligned severity criteria, including scale, scope and irremediability, and likelihood for potential impacts. Impacts are considered material where their assessed severity meets the defined threshold, with severe human rights impacts considered material irrespective of likelihood.



For financial materiality, risks and opportunities are assessed based on the magnitude of the potential financial effect and the likelihood of occurrence across the defined time horizons. The combined assessment of these factors is used to determine whether risks and opportunities are material.

A sustainability topic is considered material where it is identified as material from either an impact or a financial perspective.

Linking impacts, dependencies, risks and opportunities

The DMA establishes structured linkages between the Group's impacts and dependencies and the financial risks and opportunities that may arise from them. For each identified impact or dependency, Cargolux considers whether, and through which pathways, these may reasonably translate into regulatory, reputational, operational or market related risks and opportunities.

This analysis reflects both inside out pathways (where impacts may lead to financial effects) and outside in pathways (where dependencies on environmental, social or human capital may affect financial performance, resilience and long term business continuity). Sector specific dynamics, regulatory developments and market expectations are taken into account.

Stakeholder engagement

Stakeholder input is an integral component of the DMA. Stakeholders are identified and prioritized using an AA1000SES aligned stakeholder mapping, considering influence, dependency, vulnerability and capacity for dialogue.

Engagement activities include qualitative interviews and surveys involving employees, customers, suppliers, airports and financial institutions. Stakeholder feedback is used to validate, refine and prioritize identified impacts, risks and opportunities.

While recognized external sources and sector benchmarks are applied, the involvement of independent external experts remains limited at this stage and will be considered in future iterations of the assessment.

Governance, decision making and monitoring

Oversight of the DMA is embedded within the Group's sustainability governance framework and involves cross functional participation and management review. Internal workshops,

documentation and review controls are applied to ensure consistency and transparency of assessments.

The outcomes of the DMA inform the Group's understanding of its sustainability risk landscape and are progressively being embedded into operational planning, departmental initiatives and transformation projects. The DMA is reviewed periodically as part of the sustainability reporting cycle, with further integration into enterprise risk management identified as a key area for ongoing development.

Changes compared to prior reporting period

Following its initial application in 2024, the DMA was reviewed and refined in 2025. Key updates include methodological clarifications following audit feedback, alignment with updated ESRS guidance and the application of an updated internal DMA methodology. The scope and underlying structure of the process remain consistent, reinforcing comparability over time.

IRO-2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY REPORT

A detailed list of the disclosure requirements complied with in the preparation of the sustainability report is found in Appendix 1.



CHAPTER 5

ENVIRONMENT



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This report covers the activities of the Cargolux Group, while certain policies, actions or metrics may apply to specific entities or subsets of operations, such as the airlines.

As a global air cargo operator, the Cargolux Group operates in a sector with inherent environmental impacts, primarily driven by fuel consumption, resource use and operational activities across its value chain. Environmental considerations are therefore an integral part of the Group's sustainability implementation plan and risk management framework.

Through its double materiality assessment, the Cargolux Group has identified climate change as a key environmental topic, primarily due to greenhouse gas (GHG) emissions from flight operations of the airlines. In addition, other environmental aspects, including resource use and circular economy considerations, as well as pollution-related impacts, arise across multiple entities within the Group and are addressed as part of its broader environmental management approach.

The Environmental Management System (EMS), currently established for Cargolux Airlines' operations based in Luxembourg, and planned to be progressively extended across entities, provides the foundation for identifying, managing and monitoring environmental impacts, risks and opportunities. This includes impacts related to emissions to air, resource consumption, waste generation and operational efficiency, as well as compliance with evolving environmental regulations.

The material environmental impacts, risks and opportunities described under ESRS-2 SBM-3 are reflected across the following topical standards:

- Climate change (E1), primarily driven by aviation emissions and transition risks affecting the airlines;
- Pollution (E2), including emissions to air and other operational impacts across entities;
- Resource use and circular economy (E5), covering energy consumption, waste and material efficiency across the Group.

These topics are interrelated. Measures aimed at improving fuel efficiency and reducing emissions also contribute to improved resource efficiency and reduced environmental footprint more broadly. Similarly, regulatory developments affect multiple entities and environmental aspects simultaneously.

The following sections provide detailed disclosures on the policies, actions, metrics and targets through which the Cargolux Group manages its material environmental impacts, risks and opportunities and supports the long-term resilience of its business model.



ESRS-2
GENERAL DISCLOSURES

ESRS-2 SBM-1
TRANSITION PLAN FOR CLIMATE CHANGE
MITIGATION

Cargolux acknowledges the critical role the aviation sector plays in addressing climate change and is committed to contributing meaningfully to global decarbonization efforts.

Cargolux is committed to playing its part in the global effort to decarbonize aviation and ensuring that operations evolve to support a just and sustainable transition. At the date of publication, the airline is developing its transition plan in alignment with applicable regulatory requirements and the company's long-term sustainability vision. Cargolux is targeting the adoption of an approved transition plan at the end of 2026, subject to the timely announcement of the regulatory changes required to support such a plan.

As of 2025, Cargolux had not yet completed its EU Taxonomy assessment. Accordingly, the alignment of capital and operational expenditures with taxonomy-eligible activities remains to be determined.

ESRS-2 IRO-1 DESCRIPTION OF THE PROCESS
TO IDENTIFY AND ASSESS MATERIAL CLIMATE-
RELATED IMPACTS, RISKS AND OPPORTUNITIES

Material climate-related impacts

The Cargolux Group operates in a sector with inherent environmental impacts, primarily driven by greenhouse gas (GHG) emissions from aircraft operations. These emissions, arising predominantly from the activities of the airlines, represent the most significant environmental impact of the Group.

The Group's business model, based on global air cargo transportation, is therefore structurally linked to energy-intensive operations and associated carbon emissions. This impact is considered material due to its scale, its contribution to global climate change, and increasing regulatory and stakeholder expectations to reduce aviation-related emissions.

This impact underpins the identification of climate change as a material topic and forms the basis for the Group's climate strategy, including the actions and measures disclosed under ESRS-E1.

Climate risk analysis methodology

In 2025, Cargolux adopted an approach assessing climate-related physical risks aligned with the IFRS S2 Climate-related Disclosures and ESRS-E1 Climate Change.

This process considers risks affecting Cargolux's own operations as well as relevant upstream and downstream value chain activities, including airport infrastructure, fuel supply logistics, and customer operations.

Climate scenario analysis was conducted using the IPCC Shared Socioeconomic Pathways (SSPs). SSP1-2.6 was applied as the low-emissions "Taking the Green Road" scenario, while SSP5-8.5 was used as the high-emissions "Taking the Highway" scenario. These scenarios were selected to represent a range of plausible climate outcomes and transition pathways.

The scenarios were applied to assess both physical and transition risks and opportunities across Cargolux's operations and value chain, including evaluation of their potential timing, severity, and financial impact.

Short-term impacts were assessed with reference to the most recent financial year, medium-term impacts for the period 2025–2030, and long-term impacts for the period 2030–2050. These time horizons support comparison of exposures and alignment with strategic planning.

These assessments included a screening of assets and business activities to evaluate exposure to identified climate-related hazards and transition drivers across these time horizons. The results were finalized in December 2025.

ESRS-2 SBM-3 MATERIAL IMPACTS, RISKS AND
OPPORTUNITIES AND THEIR INTERACTION WITH
STRATEGY AND BUSINESS MODEL

Climate risk analysis results

- **Physical risks:** Based on this assessment, no significant climate-related physical risks have been identified. The primary hazards considered include extreme weather conditions, such as strong winds, snowfall, extreme temperatures, and heavy rainfall, particularly under higher-emission scenarios. Given the global nature of Cargolux's operations, these hazards may affect flight operations, ground handling, and logistics services, potentially leading to disruptions and increased costs. The geographic distribution of operations and key supply chain nodes, including airport locations where applicable, were taken into account to assess location-specific exposure. Scenario analysis indicates that under higher-emission pathways, such events could increase the exposure and sensitivity of assets and operations, creating increased physical risks. While these risks are not currently considered material to long-term operations, they will be reviewed and reassessed on a periodic basis to monitor developments and evolving climate pathways.

• **Transition risks:** Cargolux also implemented a structured process to identify and assess climate-related transition risks in accordance with IFRS S2 Climate-related Disclosures and ESRS-E1 Climate Change. This includes risks arising from the transition to a low-carbon and climate-resilient economy across operations and the value chain, including fuel supply, aircraft procurement, and customer demand. Transition risks were also assessed across both climate scenarios, similar to physical risks. Risks were identified across policy and regulatory developments, technological change, market dynamics, and reputational factors affecting operations, cost structure, and long-term financial planning.

Based on the current assessment, one potential risk to long-term financial performance was classified high risk under transition pathway SSP5 8.5 driven by evolving policy and regulatory frameworks. Under that scenario, significant changes to EU ETS, CORSIA, ReFuel EU and carbon pricing mechanisms would need to occur to increase the operating costs or cost of SAF. Due to the assumptions, transition pathway and level of uncertainty, this is considered a potential risk rather than material. By extension it was not deemed a reasonable and significant risk that leads to the resilience analysis.

Risk Resilience

Based on the scenarios assessed, Cargolux has not identified sufficient evidence to conclude that climate transition risks are materially affecting its strategy, business model or financial position over the assessed time horizons. These horizons are aligned with strategic planning cycles and capital allocation considerations, including the expected lifetime of key assets such as aircraft (typically 25-30 years). As no significant climate-related risks were identified, the undertaking did not perform a separate climate resilience assessment. Accordingly, no major implications for the undertaking's strategy or business model were identified at this stage.

The climate risk assessment is subject to inherent uncertainties, particularly in relation to the evolution of climate pathways, future regulatory and policy developments, technological change, market responses, and the availability, quality and granularity of internal and external data, including value-chain information. These uncertainties could affect the timing, severity and financial relevance of climate-related risks in future reporting periods. At the date of assessment, no significant financial climate related impacts were identified requiring adjustments to key accounting assumptions, such as asset useful lives, impairment assessments, or provisions. The outcomes of the climate risk assessment are reflected in, and consistent with, the assumptions applied in the current financial

statements. The Group will continue to monitor these developments and update its assessment periodically.

Opportunities and strategic response

The transition to a lower-carbon aviation sector also presents opportunities for the Cargolux Group's long-term competitiveness and its ability to adapt to evolving regulatory and market conditions. These include:

- improvements in operational efficiency through fuel optimization measures;
- strategic positioning in the SAF market, including partnerships and supply chain development;
- enhanced customer offerings, particularly in response to demand for lower-carbon logistics solutions;
- and technological and operational innovation, including more fuel-efficient aircraft and emerging measures such as contrail avoidance.

The Group's response is shaped by:

- ongoing technological developments in aircraft efficiency,
- the availability and scalability of SAF, and
- evolving regulatory requirements affecting aviation decarbonization.

The Cargolux Group is well positioned to respond to these developments, supported by its financial strength and ongoing emissions mitigation efforts. These include:

- participation in CORSIA;
- investment in Sustainable Aviation Fuel (SAF) and development of supply partnerships;
- implementation of fuel efficiency measures and operational improvements;
- long-term fleet renewal programs.

These initiatives contribute to reducing the Group's carbon footprint while strengthening resilience to transition risks.



IMPACT, RISK AND OPPORTUNITY MANAGEMENT

E1-2 POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION



ENERGY USAGE AND EFFICIENCY

Environmental Policy

Cargolux has established an Environmental Policy that is applicable to Cargolux Airlines. The Environmental Policy is the foundation of the airline's Environmental Management System (EMS) and outlines its commitment to supporting environmentally responsible operations. It covers specific environmental aspects in the more global context of sustainability development and corporate social responsibility efforts that we strive to develop in our daily business. The policy is applicable to all activities of Cargolux Airlines based in Luxembourg and addresses the topics on climate change mitigation and energy efficiency through the reduction of greenhouse gas emissions and optimization of fuel consumption. The Environmental Policy also addresses some climate change adaptation responses as the climate-related

physical risks are considered and the policy supports their integration into operational planning and risk management processes.

At this stage, the scope of the Environmental Policy does not yet include all entities of the Group and provides guiding principles for broader Group entities. While it does not yet formally cover the full scope of the Group, it serves as the foundation for the Environmental Management System. The policy guides employees across the Group's entities in reducing environmental impacts and supporting sustainability efforts in daily operations. In the setting of the policy, stakeholders affected by Cargolux's operations were considered following the ISO 14001:2015 standard.



Luxcargo Handling has its own Environmental Policy which recognizes its responsibility to minimize its environmental impact and contribute to a sustainable future. As a cargo handling agent, the company is committed to implementing practices that prioritize environmental stewardship for the well-being of the planet. It covers resource efficiency including energy, water, natural resource and identification of the environmental impact of LCH's activities. The policy includes a commitment to reducing greenhouse gas emissions associated with the operations, including prioritizing the use of low-emission vehicles, equipment and use of renewable electricity. Waste and pollution impacting land, water and air quality are also responsibly managed to safeguard the environment. The policy covers the company's stance on continuous improvement, training, collaboration with others and transparency. The leadership, including the CEO and Executive Committee, is accountable for the implementation of this policy.

Environmental Management System (EMS)

Cargolux's Environmental Management System (EMS) was established in 2009 to oversee all Luxembourg-based operations. Certified under ISO 14001:2015, the EMS serves as the foundation for managing and continuously improving the company's environmental performance. It ensures compliance with legal requirements, supports the achievement of annual environmental goals, and drives sustainability across the organization.

The EMS plays a central role in identifying and addressing environmental impacts, risks, and opportunities, including those related to climate change, air quality, noise pollution, chemical use, and the effects of operations on local communities. In response, Cargolux has implemented a variety of initiatives, such as integrating renewable energy and sustainable technologies, enhancing employee training, and optimizing operational processes.

At the heart of the EMS is the company's Environmental Policy, which reflects Cargolux's commitment to sustainable development, corporate responsibility, and environmental stewardship. The policy emphasizes compliance with environmental regulations, pollution prevention, and the reduction of the company's environmental footprint. It also promotes transparency and open communication, both internally and externally.

To embed environmental awareness throughout the organization, all employees and new hires complete a mandatory Environmental Awareness e-learning course covering energy conservation, climate action and waste management; with additional training provided to staff in roles with specific environmental responsibilities. The EMS is further supported by regular activities such as annual emissions verification audits, spill response tests, controls on air emissions and any possible soil contamination. Crew members also undergo specialized training modules focused on sustainability-related topics such as fuel efficiency, noise reduction measures and environmentally responsive operations in extreme weather conditions (e.g. cold and hot weather procedures). These modules are essential not only for operational understanding, but also for supporting the company's broader environmental goals.

ISO 14001 ensures data accuracy through a combination of standardized procedures, thorough documentation, and rigorous evaluation processes. These include implementing standardized data collection protocols, conducting regular audits, and utilizing reliable measurement instruments. These procedures ensure that the environmental data reported by Cargolux adheres to the principles of relevance, completeness, consistency, transparency, and accuracy.

Oversight of the EMS lies with the Cargolux Executive Committee, which ensures that environmental management aligns with broader sustainability commitments. These include participation in the UN Global Compact, support for the UN 2030 Agenda and its Sustainable Development Goals.

Employees have access to a dedicated intranet page containing all relevant EMS documentation, policies, procedures, and training materials. Environmental updates are also shared through the internal staff newsletter. Externally, Cargolux communicates its environmental progress through sustainability reports and a dedicated page on the corporate website.

The Environmental Management Manager collaborates closely with other industry stakeholders through the Luxairport Environmental Committee (LAEC), chaired by Luxairport. This committee facilitates joint projects and the exchange of best practices among operators at Luxembourg airport.

E1-3 ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

Cargolux has initiated a range of actions to support the mitigation and adaptation of climate change. While these actions involve operational and capital expenditures, no material climate-related CapEx or OpEx meeting ESRS disclosure thresholds has been separately identified for 2025.

Fleet renewal program

Cargolux launched its fleet renewal program in 2022 by placing an order for 10 new Boeing 777-8 freighters, with options for an additional six. These next-generation aircraft are expected to improve fuel efficiency by 30%, significantly reducing emissions per tonne-kilometer flown.

Aviation is a hard-to-abate industry as it is dependent on aircraft manufacturers' pace of innovation to deliver more fuel-efficient and quieter aircraft. The long service life of aircraft (typically around 25 years) and the very high capital requirements means that even as new, more efficient models are introduced, the overall fleet changes slowly, limiting the speed at which technological improvements can impact emissions.

The fleet replacement program applies to Cargolux Airlines and Cargolux Italia, and represents one of the most significant long-term actions in the Group's climate strategy. Implementation is expected to begin in 2028 and continue until 2029, with a substantial impact on Scope 1 emissions reduction.

Sustainable Aviation Fuel (SAF)

Cargolux is keen to leverage its position to drive decarbonization efforts in the aviation industry. Sustainable Aviation Fuel (SAF) is one of the major channels to effectively reduce aviation's carbon footprint, and Cargolux is continuing its efforts in this area. In 2025, Cargolux entered its largest voluntary Sustainable Aviation Fuel (SAF) agreement

to date through a strategic partnership with AIT Worldwide Logistics and Microsoft, supporting the transport of Microsoft Cloud Logistics cargo. The three-year agreement (2025–2027) is expected to reduce lifecycle aviation emissions by approximately 66,000 tonnes of CO₂e. The SAF, supplied by Valero Marketing & Supply Company Diamond Green Diesel LLC, is produced from used cooking oil and tallow, contains no palm oil or derivatives, and is blended into Cargolux's fuel supply at George Bush Intercontinental Airport in Houston. Transparency and credibility of the emission reductions are ensured through certification under sustainability frameworks, the neat SAF itself was certified under ISCC EU and/or ISCC CORSIA standards, while RSB (Roundtable on Sustainable Biomaterials) registry was used to ensure a credible process for tracking, transfer and retiring of SAF claims. This milestone highlights the role of cross-industry collaboration in accelerating decarbonization within the air cargo sector and reinforces Cargolux's long-term commitment to reducing its environmental footprint through responsible partnerships.

As a policy measure, ReFuel EU Aviation Regulation (within the European Union's Fit for 55 package) promotes the increased use of sustainable aviation fuels (SAF) as this regulatory SAF mandate acts as a powerful and binding tool to decrease aviation emissions. It sets out requirements for aviation fuel suppliers to gradually increase the share of SAF



blended into the conventional aviation fuel supplied at EU airports. The regulation mandates them to ensure a progressive increase in SAF supply, starting with 2% blend in 2025, rising to 6% by 2030, and reaching 70% by 2050. As climate change is the most significant material impact for Cargolux, the reduction in emissions brought about by the use of SAF will mitigate this impact significantly. The SAF program in Cargolux is evolving, the total SAF uplift during 2025 was 24,263 tonnes of SAF (1.7% of total fuel uplift) and is a significant year-on-year increase from 2024. This is equivalent to 76,429 tCO₂ reported as out of scope emissions and away from Scope 1. The reductions were derived from the voluntary and mandatory quantities of SAF.

The reductions derived from the voluntary portions of the SAF (based on quantities that were sold to customers) were realized for defined Cargolux customers through a voluntary audited SAF program. They should therefore not be claimed by all Cargolux customers.

The SAF purchased adhered to the EU RED and CORSIA/ EPA Renewable Fuel Standards sustainability principles, certified under the ISCC EU and CORSIA scheme. SAF-based Scope 3 emission reduction certificates were issued to the customers for SAF uplifted by Cargolux in its network. The Well to Wake emission factors and the GHG savings were calculated by the SAF producer as per the methodology adhering to the certification scheme.

Affordability and availability of significant amounts of SAF are critical to the decarbonization of international aviation and can only be achieved through effective collaboration between states, fuel manufacturers and the whole international aviation value chain.

Fuel efficiency program

Cargolux's Fuel Efficiency Program is supported by a cross-divisional working group comprised of representatives from Global Logistics, Maintenance and Flight Operations. The group continuously evaluates and implements fuel-saving measures such as reduced-thrust takeoffs, continuous-descent approaches, and weight-reduction in cargo materials to lower emissions.

The program covers all flights of Cargolux Airlines and Cargolux Italia. It represents an ongoing mitigation measure with incremental effect each year.

Carbon emissions trading and compliance offsetting

Cargolux participates in mandatory market-based climate mitigation mechanisms, including the European Union Emissions Trading System (EU ETS), the UK ETS, and ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). These schemes establish legal obligations for airlines to monitor, report, and verify their emissions and to surrender emissions allowances or purchase carbon offsets to cover a defined portion of their emissions. In 2025,

Cargolux received financial support from the EU Emissions Trading System (EU ETS) for the use of eligible Sustainable Aviation Fuel (SAF) in 2024 (Eligible aviation fuel as defined in Commission Delegated Regulation (EU) 2025/723. The term "Sustainable Aviation Fuel" is further defined in Regulation (EU) 2023/2405 (ReFuelEU Aviation). The support was granted in September 2025 through EU ETS allowances (10,022) with a value of 735,915.46 EUR (based on 2025's price of EU ETS allowance pricing (corresponding to 648,824.28 EUR based on 2024's EU ETS allowance pricing). This support has co-funded the use of 1,132 tonnes of eligible SAF (quantities that qualified for the EUETS support).

For the SAF uplifted in 2025, Cargolux expects a decision by the EU Commission on the allocation of allowances by 31 August 2026, as foreseen by Delegated Regulation (EU) 2025/723.



Co-funded by the European Union
Emissions Trading System

Compliance with these requirements is an integral part of Cargolux's operational and financial framework, as carbon costs associated with these mechanisms are embedded into the Group's cost structure and planning processes.

Beyond compliance, Cargolux views these mechanisms as an important component of its approach to managing aviation-related emissions and addressing policy-driven transition risks. By internalizing the cost of carbon and aligning with international and regional climate frameworks, these instruments incentivize emissions reduction and support the transition towards lower-carbon operations.

Emissions data reported under these schemes is subject to independent third-party verification. ETS and CORSIA do not apply to AFF flights, as firefighting operations are exempt from these reporting obligations.

Ground Support Equipment (GSE)

Cargolux has implemented a mid-term plan to reduce emissions from Ground Support Equipment (GSE) in Luxembourg, including gradually replacement of internal combustion engine vehicles with electric alternatives powered by renewable electricity.

At the end of 2025, 76.6% of GSE were running on renewable electricity. The scope encompasses all GSE for Cargolux Airlines. The transition to fully electric began in 2023, which has been reviewed annually and is set to be completed by 2032.



TRUCKING

Cargolux provides comprehensive Road Feeder Services (RFS) through a global network of contracted trucking partners. A dedicated Truck Management system, currently deployed for import and export operations in Luxembourg (LUX), enables the airline to monitor average load factors per truck and identify opportunities for optimization. This system supports the planning department in developing more efficient transport solutions while maintaining high service quality standards. In 2026, Cargolux intends to initiate the development of an enhanced version of the Truck Management system, with the objective of achieving global deployment by 2028.

In 2024, Cargolux launched a two-year trial of a hydrogen-powered trucking service in collaboration with its partner Arthur Welter. The service operates on behalf of Cargolux five times per week between Luxembourg and Frankfurt and is scheduled to run until the end of May 2026. Due to evolving market conditions and the specific operational requirements of an all-cargo carrier, particularly the need for mega trailers with a 3 meter internal height, the focus of sustainable road transport solutions has shifted toward electric trucks. In this segment, the required technology is already being deployed, and Cargolux is actively working with its partners to accelerate the introduction of electric trucks into its network.



CONTRAIL AVOIDANCE

Cargolux is exploring contrail avoidance as a complementary climate mitigation measure. Contrails might contribute to radiative forcing and amplify aviation's climate impact under certain atmospheric conditions.

In 2025, Cargolux conducted a data-driven assessment with Nexus Lab covering approximately 18,500 flights. The analysis identified contrail avoidance as a high-impact and operationally feasible measure, with the potential to reduce warming effects by approximately 75% on around 10% of flights, with a 0.5% fuel penalty.

Further validation is expected through potential operational trials, enabling measurable and externally verifiable reductions in non CO₂ climate impacts.



METRICS AND TARGETS

E1-4 TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The aviation industry operates under increasingly stringent climate policy and regulatory landscape. The Paris Agreement aims to limit global warming to well below 2°C, with efforts to limit it to 1.5°C above pre-industrial levels. In response, the ICAO adopted the Long-Term Aspirational Goal (LTAG) of achieving net-zero carbon emissions from international aviation by 2050, complemented by the IATA net-zero commitment for the same timeframe

At regional level, the European Union has established a comprehensive regulatory framework, including the EU Emissions Trading System (EU ETS) and the ReFuelEU Aviation Regulation, which require progressive emission reductions and the uptake of sustainable aviation fuels (SAF). Cargolux is subject to these frameworks, as well as to the Swiss ETS, UK ETS and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), and ensures full compliance with their requirements

While these efforts provide the foundation for future target-setting and performance tracking, Cargolux has not formally set targets around Net Zero, Scope 1,2 or 3. However, the development of such targets is planned for 2026

E1-5 ENERGY CONSUMPTION AND MIX

The airline operates within the transportation and storage sector (NACE Section H), which is classified as a high climate impact sector under the European Sustainability Reporting Standards (ESRS). As a global air cargo carrier, the company's energy consumption is primarily driven by jet fuel use, which constitutes the vast majority of its total energy demand.

Cargolux's energy consumption and mix

ENERGY CONSUMPTION AND MIX	2025	2024*
 (1) Fuel consumption from coal and coal products (MWh)	-	-
 (2) Fuel consumption from crude oil and petroleum products (MWh)	17,632,508	18,363,230
 (3) Fuel consumption from natural gas (MWh)	9,786	4
 (4) Fuel consumption from other fossil sources (MWh)	-	-
 (5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	4,624	4,602
 (6) Total fossil energy consumption (MWh) (sum of 1 to 5)	17,646,918	18,367,835
Share of fossil sources in total energy consumption (%)	98.27%	99.97%



ENERGY CONSUMPTION AND MIX

2025

2024*



(7) Consumption from nuclear sources (MWh)

-

-

Share of consumption from nuclear sources in total energy consumption (%)

0%

0%



(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)

296,550

72,707



(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)

14,838

4,780



(10) Consumption of self-generated non-fuel renewable energy (MWh)

-

-

Total renewable and low carbon energy consumption (MWh) (sum of 8 to 10)

311,387

77,487

Share of renewable and low carbon sources in total energy consumption (%)

1.73%

0.42%

Total energy consumption (MWh)

17,958,305

18,445,321

*2024 excludes Luxcargo Handling due to limited data availability

In 2024, Cargolux has launched an initiative to produce energy from renewable sources (eg: solar) at the headquarter offices in Luxembourg and expects to have all relevant permits by year-end 2026, to start production in 2027. Beside this initiative, Cargolux does not produce energy from other renewable sources (eg: wind or hydro) or non-renewable for self-consumption in its operations.

The airline's energy profile reflects the operational realities of the aviation industry, where propulsion energy for aircraft dominates overall consumption. Aircraft fuel consumption is recorded in tonnes, with some ground operations recorded in liters or estimated based on km travelled.

In 2025, renewable energy consumption increased from 0.42% to 1.73%, this can be attributed to the continued operation of the SAF Voluntary Program and the introduction of SAF mandates in the EU as well as the UK. The SAF purchased adhered to the EU RED and CORSIA/ EPA Renewable Fuel Standards sustainability principles, certified under the ISCC EU and CORSIA schemes. The inclusion of Luxcargo Handling also contributes to the remaining renewable electricity usage, as well as the use of conventional natural gas in its facilities.

Fuel and natural gas usage is converted to MWh using conversion databases; United Kingdom's Department for Environment, Food & Rural Affairs (DEFRA) and Sustainable Energy Authority Of Ireland (SEAI); for the appropriate energy sources.

E1-6 GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

Cargolux is committed to transparent and comprehensive greenhouse gas (GHG) emissions reporting in line with internationally recognized standards. The calculations and disclosure of emissions (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃) are done using Global Warming Potential (GWP) values published by the IPCC based on a 100-year time horizon to calculate CO₂e. In accordance with the Greenhouse Gas Protocol, the carbon accounting standard ensures consistency, accuracy, and comparability across reporting periods. The methodology encompasses Scope 1, Scope 2, and Scope 3 emissions calculated on an operational control basis. A carbon inventory using a financial control approach (eg: equity) does not materially affect the total reported emissions and is therefore not reported for Cargolux. The data is calculated and verified annually by an independent third-party auditor, Normec Verifavia, with reasonable assurance for Scope 1 & 2 and limited assurance for Scope 3 emissions. This verification ensures compliance with ISO standards and the GHG Protocol principles of relevance, completeness, consistency, transparency, and accuracy. The verification criteria used include ISO/IEC 17029:2019, ISO 14064-3:2019, and ISO 14065:2020. The process for determining the impacts on climate change Cargolux has conducted a carbon footprinting exercise aligned to the Greenhouse Gas Protocol for Scope 1, 2 and 3.



In 2025, Luxcargo Handling was included in Scope 1 and 2, also under reasonable assurance. Scope 3 emissions of LCH were not included as no other significant changes to the definition of the reporting period or the upstream/downstream value chain were identified that would affect the reported greenhouse gas emissions.



CARGOLUX GHG EMISSIONS BREAKDOWN

	2019* (BASE YEAR)	2024*	2025	% CHANGE 2025 FROM 2024
Scope 1 emissions				
Gross total scope 1 emissions (tCO ₂ e)	4,062,822	4,746,198	4,567,611	-4%
Mobile sources – Aircraft	4,062,235	4,745,734	4,563,781	-4%
Mobile sources – Others	265	176	1,693	+962%
Stationary sources	322	244	2,104	+862%
Fugitive sources	0	17	33	+94%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	1.7%	1.1%	0.8%	-0.3%
Scope 2 emissions				
Gross total scope 2 location-based emissions (tCO ₂ e)	3,007	2,635	4,563	+73%
Gross total scope 2 market-based emissions (tCO ₂ e)	n/a	1,738	1,786	+3%
Scope 3 emissions				
Gross total Scope 3 emissions (tCO ₂ eq)	1,023,318	1,150,623	1,132,635	-2%
1 Purchased goods and services	90,694	80,513	80,513	-
2 Capital goods	25,663	16,431	16,431	-
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	841,825	991,311	967,215	-2%
4 Upstream transportation and distribution	35,421	39,001	43,642	+12%
5 Waste generated in operations	37	10	11	+7%
6 Business travel	24,340	17,711	19,177	+8%
7 Employee commuting	5,006	5,121	5,121	-
8 Upstream leased assets	331	525	525	-
15 Investments	0.13	0.13	0.13	-
Total GHG emissions				
Total GHG emissions (location-based) (tCO ₂ e)	5,089,147	5,899,457	5,704,809	-3%
Total GHG emissions (market-based) (tCO ₂ e)	n/a	5,898,559	5,702,032	-3%
Direct biogenic scope 1 emissions (tCO₂)	0	18,738	76,429	+308%

*2019 and 2024 excludes Luxcargo Handling due to limited data availability



With Cargolux's main operations in the airline cargo industry, the total scope 1 and 3 from fuel production, transportation and combustion constitutes about 97% of Cargolux's total carbon footprint.

GHG intensity by Freight Tonne Kilometer (FTK)

	kgCO ₂ /FTK
2025	0.518
2024	0.515
2023	0.510

The network carbon intensity is calculated using the CO₂ emissions arising for the fuel consumption of all flights operated by Cargolux Airlines International and Cargolux Italia, and the total freight tonne kilometers (FTK). FTK are a standard industry metric that combine both the weight of cargo carried and the distance between the airport of departure and airport of arrival computed using the Great Circle Distance (GCD). The carbon intensity figure includes Greenhouse Gas savings achieved through the use of SAF. Additionally, the journeys included within the reporting period are based on flight departure date and local time from each individual leg.



The airline measures the carbon intensity of its freight movements, reported in kgCO₂/FTK. In 2025, Cargolux achieved a carbon intensity of 0.518 kgCO₂/FTK. This represents a less than 1% increase in the emissions per FTK over the previous year. Partially offset by the impact of lower load factors on fuel burn, emissions per FTK were negatively affected by an increase in tonnage flown on shorter trade lanes and longer average flight time per flight.

Scope 1 emissions

Scope 1 emissions represent direct GHG emissions from sources owned or controlled by Cargolux Airlines, Cargolux Italia, Aquarius Aerial Firefighting (AFF) and Luxcargo Handling (LCH). All Scope 1 fuel and fugitive emissions are converted to CO₂e using the DEFRA database. Over 99% of total Scope 1 emissions are associated with aircraft operations and recorded in and converted to CO₂e. Emissions from SAF are reported as zero for CO₂ and separately reported "Out of scope", while non-CO₂ effects (CH₄ and N₂O) are included and reported in CO₂e. Additional Scope 1 emissions arise from ground support equipment and stationary machinery, calculated based using the fuel consumption from supplier invoices multiplied by DEFRA emission factors.

For the percentage of Scope 1 emissions covered by regulatory schemes, Cargolux first identifies the portion of direct greenhouse gas emissions that falls under emissions trading systems, specifically the EU ETS and the UK ETS. This is then divided by the total Scope 1 emissions across the organization. The resulting percentage shows the direct operational emissions currently subject to carbon pricing and regulatory oversight through these emissions trading schemes.

Scope 2 emissions

Scope 2 emissions result from the purchase of electricity and energy recorded through supplier invoices based on metered consumption by Cargolux Airlines, Cargolux Italia, Aquarius Aerial Firefighting (AFF) and Luxcargo Handling (LCH). In 2025, Cargolux Airlines, AFF and LCH represents over 99% of total electricity consumption, and its consumption in Luxembourg is sourced from renewable sources using Guarantees of Origin. For the reporting period and verification, Guarantees of Origin (GOs) are not available at the time of the carbon footprint verification by a third-party verifier, a certificate from the electricity provider has been accepted as documentation of the electricity's renewable source and GOs claimed later in the year. The remaining 1% of electricity consumption is purchased by Cargolux Italia where no renewable electricity certificates were purchased.

Emissions were calculated using both the market-based and location-based approaches, with electricity emission factors derived from the Institut Luxembourgeois de Régulation (ILR) and Nowtricity for Italy. Where emission factors for 2025 are not yet available during the time of reporting, the previous year's values are used. Emissions were calculated using both the market-based and location-based approaches, with grid electricity emission factors derived from the Institut Luxembourgeois de Régulation (ILR) and Nowtricity for Italy. For renewable electricity consumed under the market-based approach, the electricity factor is zero-rated. Where emission factors for 2025 are not yet available during the time of reporting, the previous year's values are used. The Guarantees of Origin are hydropower in nature which have no biogenic emissions from the combustion or biodegradation of biomass and are not included under Scope 2 emissions. For the use of purchased heat, cooling and compressed air in Cargolux facilities, the emissions are calculated using the total electricity and natural gas used to produce the purchased energies using DEFRA factors.

Scope 3 emissions

Scope 3 emissions include indirect emissions across upstream and downstream activities from Cargolux Airlines and Cargolux Italia. Aquarius Aerial Firefighting (AFF) and Luxcargo Handling (LCH) are currently not included. Cargolux has assessed all 15 Scope 3 categories defined by the GHG Protocol and included all categories considered relevant based on its activities and value chain:

Category 1: Purchased goods and services and Category 2: Capital goods

Category 1 includes upstream emissions from the extraction, production, and transportation of goods used for core activities such as aircraft maintenance. Category 1 also includes the emissions from purchased services, including but not limited to, consultancy, software, advertising and cleaning.

Category 2 includes all upstream emissions associated with the extraction, production, and transportation of capital goods purchased. For Cargolux this mainly relates to aircraft, aircraft engines, company cars and buildings.

Categories 1 and 2 were entirely calculated by multiplying Cargolux's financial spend data with Environmentally Extended Input-Output (EEIO) spend-based emission factors. The EEIO emission factors describe the emissions of a certain industry as a ratio of the value add that industry creates. This approach

is considered to have a medium degree of uncertainty but provides consistency in a challenging environment to collect activity or quantity data.

The emission factors are based on the OPEN IO database originally developed by the Sustainability Consortium at the University of Arkansas and are further adjusted for inflation. The total emissions for 2023 were calculated and reused for 2025.

Category 3: Fuel- and energy-related activities

Category 3 includes the upstream emissions relating to the extraction, production and transportation of fuels and energy purchased or acquired. For Cargolux, this relates to all upstream emissions of fuel, natural gas and electricity consumed in Cargolux's owned sites and aircraft.

Emissions are calculated by multiplying electricity and fuel (including jet fuel, natural gas, diesel and petrol for company-owned vehicles) consumption quantities by the relevant upstream Well-to-tank (WTT) emission factors from the DEFRA database.

Category 4: Upstream transportation and distribution

Category 4 includes the upstream emissions relating to the transportation and distribution services purchased by Cargolux. Emissions data originate mainly from CO₂e or distance travelled reports; with a minority of journeys based on total spend. These reports are then converted into total emissions.

For distance-based calculations, the 'tonne.km' values for each type of logistics service procured have been summed to ascertain the total distance and tonnage in the reporting period. This total, per provider, is multiplied by the well-to-tank emission factor from the UK DEFRA database.

Similar to category 1 and 2; spend-based calculations multiply the spend (converted to USD) in the reporting period by the EEIO emissions database.

Category 5: Waste generated in operations

Category 5 includes emissions from the disposal and treatment of waste generated. At the current time of reporting, waste emissions are limited to all Luxembourg sites.

The waste generated across all operations stems mainly from the following primary activity streams: aircraft maintenance, cargo packaging, office administration, and meal production for the canteen. The weight of the waste is recorded by the waste disposal company and provides a certificate with the disposal method and emissions.

Category 6: Business travel

Category 6 includes the emissions from the transportation and business travel of employees, including accommodation services. While we prioritize business travel on board our aircraft, some journeys must be made on commercial flights operated by other companies.

Spend-based calculations: Emissions are calculated by multiplying the spend (in USD) amounts by the appropriate emissions factor (DEFRA database).

Hotel stay calculations: The total number of stays has been multiplied by the corresponding emission factor for that location using the DEFRA emission factors.

Category 7: Employee commuting

Category 7 includes the upstream emissions relating to transportation energy consumption of employees working for Cargolux. This relates to all employees traveling from their homes to Cargolux locations for work. This category also does not include working from home emissions of Cargolux employees.

The average commuting distance and frequency were sourced from a 2021 employee survey multiplied by the emissions factor from the UK DEFRA database. This provided the average emissions per employee to be multiplied by the total FTE per geographical division. The total emissions for 2023 were calculated and reused for 2025.

Category 8: Upstream leased assets

Category 8 includes the upstream emissions relating from the energy / electricity usage in facilities leased in our stations or not fully controlled by Cargolux. This includes natural gas and fuel oil converted to emissions using DEFRA factors, and electricity emissions from the International Energy Agency (IEA). The total emissions for 2023 were calculated and reused for 2025.





Category 9: Downstream transportation and distribution

Road feeder services were included under Category 4.

Categories 10-14

These categories are not applicable as Cargolux does not engage in downstream product use, processing, franchising, or downstream leased asset activities.

Category 15: Investments

Category 15 includes the emissions relating to investments made by Cargolux in companies and assets for which Cargolux does not have operational control. This includes the electricity consumption of the company Global Air Transportation Services (GATS) in Hong Kong which was estimated based on an equivalent sized facility. The total emissions for 2023 were calculated and reused for 2025.

E1-7 GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

High-integrity carbon credits can support global climate goals, particularly in hard-to-abate sectors such as aviation. While Cargolux has not yet used carbon credits to offset its emissions, it has taken initial steps to contribute to mitigation efforts beyond its value chain.

In 2024, Cargolux purchased 30,000 tonnes of CO₂e in ART TREES CORSIA-eligible emission units. These credits originate from projects certified under the ART TREES Version 2 High Forest Cover Low Deforestation (HFLD) approach, which supports the preservation of tropical forests and contributes to emissions reductions through nature-based solutions. These credits are eligible under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), a global market-based mechanism developed by ICAO to stabilize net CO₂ emissions from international aviation.

As of the reporting date, these credits have not been cancelled and therefore have not been used to offset Cargolux's reported greenhouse gas emissions. The airline does not engage in the resale of carbon credits on the voluntary carbon market.

Cargolux has not yet formalized a carbon credit policy. However, the assessment of high-quality carbon credits is underway as part of the company's broader climate strategy, with a view to potentially addressing residual emissions that cannot be eliminated through operational measures.

No technological GHG removal activities (such as direct air capture or geological storage) have been undertaken or financed by Cargolux. No removals have been converted into credits for resale, and therefore no disclosures are required regarding storage, transport, or permanence risk management.

As the company continues to develop its climate roadmap, any future use of carbon credits will be considered in line with evolving regulatory requirements, recognized standards, and the principles of environmental integrity and transparency.



AQUARIUS AERIAL FIREFIGHTING: A YEAR OF PROTECTING COMMUNITIES AND NATURAL RESOURCES

2025 marked the first full year of operations for Aquarius Aerial Firefighting (AFF), the Cargolux Group's dedicated aerial firefighting subsidiary. Established to address the growing threat of wildfires and the shortage of aerial firefighting capacity, Aquarius leverages Cargolux's aviation expertise to support emergency response efforts across affected regions. Operating Air Tractor AT-802 Fire Boss aircraft, the company combines specialized equipment with Cargolux's longstanding commitment to operational excellence, safety, and reliability.

Aquarius played an active role in wildfire suppression efforts. Over the summer months, AFF deployed on its second mission,

this time in Turkey, where it assisted local firefighting services from 4 bases in 3 regions. Between May 15 and October 31, the fleet recorded more than 1,352 block hours and executed 3,136 water drops. Based on an average load of 2,600 liters per drop, Aquarius dispersed approximately 8.15 million liters of water in support of firefighting operations. These activities not only contributed to containing wildfires but also helped mitigate environmental impacts such as biodiversity loss and greenhouse gas emissions associated with large-scale fires.

Following a review of operational processes and to ensure data integrity, Aquarius introduced improvements to its Aircraft Technical Logbook system to enhance data consistency and launched work on a digital data collection platform in partnership with the IT Innovation team.

These initiatives will strengthen data accuracy, reduce manual errors, and support more robust operational analysis as the company continues to expand its capabilities.

KPIs for 2025

FLIGHT TYPE "FIRE" MAY 15 - OCT 15

BLOCK HOURS	DROPS	LAND LANDINGS**	WATER LANDINGS***
1352:38	3136	790	2811

** Land Landings is what was referred to as "Missions" in the first data published. It represents instances where the aircraft returned to an airport, typically marking the completion of a mission / sortie. However, a landing may also occur for operational reasons such as refueling, after which the aircraft may immediately depart again to continue operations on the same fire.

*** Typically, water scooping operations. However, the figure also includes aborted scooping attempts and water body reconnaissance landings. The number is also not equal to the amount of drops as aircraft are frequently filled on the ground before fire calls.



In 2025, disclosures relating to aircraft noise were reclassified from ESRS-S3 Affected Communities to ESRS-E2 Pollution to better reflect the environmental nature of the topic. Aircraft noise was not identified as a material sustainability matter through the Group's Double Materiality Assessment. Therefore, the related disclosures are presented on a voluntary basis.

The impact of noise pollution primarily affects residents living near operational hubs, with vulnerable groups such as children, elderly individuals, and those with pre-existing health conditions being more sensitive to noise exposure.

E2-1 POLICIES RELATED TO POLLUTION

Noise pollution

Cargolux is committed to minimizing noise-related impacts through its ISO 14001-certified Environmental Management System, which includes operational controls and stakeholder engagement practices. A dedicated noise management policy is currently under development.

Existing commitments include:

- Noise reduction measures:
Implementation of noise abatement procedures and adherence to the charter signed with the *Administration de la Navigation Aérienne (ANA)*, restricting nighttime take-offs to exceptional cases.
- Stakeholder engagement:
Ongoing dialogue with affected communities, aviation authorities, and interest groups to address concerns and inform decision-making.
- Continuous improvement:
Regular review of operational practices to align with evolving best practices and stakeholder expectations, with the objective of formalizing a dedicated noise policy.

E2-2 ACTIONS AND RESOURCES RELATED TO POLLUTION

Cargolux has implemented operational measures to mitigate noise impacts, including:

- Restricting night flight take-offs in line with ANA commitments
- Integrating noise considerations into flight planning and scheduling
- Maintaining engagement with local authorities and community representatives

Responsibility for managing these impacts lies with:

- EVP Flight Operations and operational teams
- Environmental management team
- Senior management oversight

Cargolux actively monitors stakeholder feedback and continues to assess opportunities to further reduce noise impacts.



ESRS-E5 –
RESOURCE USE AND
CIRCULAR ECONOMY

IMPACT,
RISK AND OPPORTUNITY
MANAGEMENT

E5-1 POLICIES RELATED TO RESOURCE USE
AND CIRCULAR ECONOMY



Environmental Policy

The Cargolux Environmental Policy outlines the company’s commitment to operating as a safe, responsible, and sustainable airline through a structured Environmental Management System. It emphasizes compliance with environmental laws, reduction of environmental impacts, continuous improvement, and active engagement with employees, suppliers, and stakeholders. The policy also aligns with global initiatives such as the UN Global Compact and the Sustainable Development Goals, supporting long-term sustainable development.

The policy highlights waste prevention by reducing material consumption at the source and promoting circular economy principles as part of responsible resource management. It also commits to improving waste management practices and encouraging sustainable consumption across operations.

Currently the policy applies to all activities of Cargolux Airlines but does not cover the full global scope of the Group, however it serves as the foundation for its Environmental Management System. It guides employees across the organization in reducing environmental impacts and supporting sustainability efforts in daily operations.



As a cargo handling agent, the company’s Environmental Policy is committed to implementing practices that prioritize environmental stewardship for the well-being of the planet. LCH recognizes its responsibility to minimize its environmental impact and contribute to a sustainable future. The policy covers resource efficiency including conserving natural resources and identification of the further environmental impacts of LCH’s activities. Responsible waste management includes the implementation of recycling programs, reducing single-use materials, and disposal of hazardous waste. The policy covers the company’s stance on continuous improvement, training, collaboration with others and transparency. The leadership, including the CEO and Executive Committee, is accountable for the implementation of this policy.



RESOURCE USE

Sustainable Sourcing Policy

The Sustainable Sourcing Policy sets out how Cargolux Airlines integrates environmental, social, and economic considerations into all procurement activities to ensure responsible and sustainable sourcing of goods and services. It requires employees and representatives to embed sustainability throughout the full procurement cycle—from planning and requirement definition to tendering, contracting, and supplier management—while evaluating lifecycle impacts and minimizing adverse social and environmental effects. The policy also mandates minimum sustainability requirements for major procurements, including early consultation with the Sustainability department, a >10% sustainability-weighted to the evaluation process.

The policy applies to all employees and executives of Cargolux Airlines, as well as third-party representatives acting on behalf of Cargolux. It governs their responsibilities in ensuring that sustainability considerations are integrated into all procurement activities.

The policy addresses sustainable sourcing comprehensively and embeds it into each step of the procurement cycle. While it does not explicitly mandate the use of renewable resources, it embeds environmental criteria that favor renewable, resource-efficient, and lower-impact options through lifecycle evaluation, resource-use considerations, and sustainability-linked supplier requirements.

Taken together, the Environmental Policy and the Sustainable Sourcing Policy demonstrate a strong organizational commitment to the upper tiers of the waste hierarchy, with clear emphasis on waste prevention, material efficiency, and reduction of resource use at the source. Furthermore, practices related to re-use, recycling, other recovery, and end-of-life disposal are reflected in the company's implemented operational measures and associated performance data, supporting a comprehensive approach to waste management across the value chain.

E5-2 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

While the actions around the sourcing of plastics, wood and waste management involve operational and capital expenditures, no material climate-related CapEx or OpEx meeting ESRS disclosure thresholds have been separately identified for 2025.

Reducing the thickness of plastic sheets and making it biodegradable

Due to their light weight and hygienic characteristics, plastic sheets are continuously used for packing by the ground handling agent (now Luxcargo Handling). The plastic wrapping protects goods from moisture and external elements that could compromise their integrity. These materials, wood beams and plastics, are integral components in the packaging and securing processes that are vital to Cargolux's efficient and safe operations.

Over the last decade, Cargolux took the initiative to reduce the thickness of the plastic sheets used for wrapping pallets from the Luxembourg cargo center. The sheets are now just 15 microns thick, offering a cost-effective way to reduce the total amount of material used. This improvement was made possible through technological advancements in the manufacturing of the sheets, and thinner sheets reduce the overall environmental impact of its transport, manufacturing and disposal.

In addition, Cargolux has identified the environmental benefits from using biodegradable plastic in its packaging operations. Microplastics, which persist in ecosystems and pose risks to biodiversity and human health, are often the result of fragmented plastic waste that escapes formal disposal channels. Bioplastics are designed to fully break down under natural conditions and are especially valuable in regions or situations where waste may end up in open environments, waterways, or landfills lacking proper containment.

Using wood beams from PEFC controlled sources

Wood beams are continuously used in freight operations of Cargolux Airlines and Cargolux Italia to provide structural support for specific types of cargo, to prevent any dislodgement during flight. This crucial function not only ensures the safety of the aircraft but also safeguards the cargo onboard.

All wooden beams used in export operations out of Luxembourg are purchased locally by Luxcargo Handling within the Grand Duchy and from PEFC controlled sources. PEFC controlled sources material is third-party verified through a due diligence system to ensure it is harvested legally in accordance with local laws. Therefore, the material is sourced responsibly with a low-risk against requirements for biodiversity, workers' rights, and indigenous peoples' rights.

SquAIR timber lightweight beams

SquAIR-timber offers a sustainable and lightweight alternative to the traditional wooden beams used in air cargo. Made from a cardboard fiber composite, SquAIR-timber is made of mainly recycled raw material, easy to dispose, and is almost 80% lighter than wood, which significantly reduces the overall weight of air freight. This weight reduction translates to lower fuel consumption and CO₂ emissions, making it an environmentally sound option. Luxcargo Handling purchases and uses these beams continuously for all pharmaceutical shipments of Cargolux Airlines and Cargolux Italia out of Luxembourg in current operations.



Other applications of circular business practices

Aircraft Maintenance for Cargolux Airlines and Cargolux Italia is a highly circular process. The aircraft goes through regular checks, as nearly all parts have a time limit of how long they can be installed or how frequently they must be inspected. When parts are removed from the aircraft, the majority are considered repairable, meaning that they get sent to a repair station for refurbishment. Cargolux repairs a lot of parts internally in one of its many repair shops, thus also minimizing additional waste through minimizing shipping. Once refurbished, the part is again considered serviceable, meaning it can be reinstalled on the aircraft. This increases the life cycle of the aircraft as whole, allowing a 30-year aircraft lifespan at 16h per day utilization, through a constant cycle of repair and refurbishment. There are also parts which cannot be repaired (such as seals, filters and washers) which are considered consumable and are replaced outright.

The company is developing circular economy procedures for maintenance activities beyond spare parts. Circular design is industry practice for aircraft, not originally for sustainability reasons, but rather for Safety & Financial aspects. Safety is the primary concern of aviation and therefore also limits which parts cannot be repaired due to potential safety risks.

Optimization of waste management

Cargolux manages waste in accordance with the waste hierarchy (prevention, reuse, recycling, recovery and disposal), as embedded in the company's ISO 14001 Environmental Management System for Cargolux Airlines and Luxcargo Handling. Waste flows arising from flight operations, maintenance activities, ground operations and office facilities are identified, classified and handled through established procedures that aim to prevent waste generation where feasible and ensure correct segregation at source.

Non-hazardous waste streams, including paper, cardboard, plastics, metals and wood, are separated to enable recycling by certified external waste management providers. Hazardous waste generated in maintenance activities, such as oils, chemicals and batteries, is collected, stored and transferred in line with regulatory requirements to specialized treatment partners. Where operationally possible, materials such as packaging and certain ground-handling supplies are reused before disposal.

While Cargolux does not conduct recycling or recovery processes itself, the company contributes to optimizing waste management by ensuring correct internal sorting, maintaining ISO 14001 controls, and directing waste to certified external providers that apply recycling and recovery processes in line with applicable regulations. This approach supports the prioritization of prevention, reuse and recycling over disposal, consistent with the waste hierarchy.

METRICS AND TARGETS**E5-3 TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY****Biodegradable plastic for pallet wrapping in Luxembourg**

Cargolux's resource-use and circular-economy targets are implemented through an ISO 14001-certified Environmental Management System and group policies that prioritize waste prevention and material-use reduction across operations and procurement.

Cargolux Airlines has set a target to use 100% biodegradable plastic sheets used to wrap pallets on its flights departing from Luxembourg. This was based on the strong relationship with the ground handling agent, now Luxcargo Handling which allowed Cargolux Airlines and Cargolux Italia to choose the materials used. With a base year in 2023 where Cargolux was exclusively using standard plastic, interim targets of 50% for 2024 and 60% for 2025 were set and reaching 100% for 2026. This target has not only been met but exceeded, as Cargolux uses 100 % of biodegradable plastic, achieving this milestone one year ahead of schedule. The target is based on the date recorded in the invoices of the delivered inventory during the reporting year.

With the exception of cargo arriving in Luxembourg, managed by Luxcargo Handling, the disposal of the plastic sheets addressed in this target is

not included in Cargolux's resource outflow E5-5. At the stations, third-party ground handling companies will be used and disposal options would be based on the local infrastructure. Therefore the use of biodegradable plastic reduces the negative environmental impacts if it ends up in landfills through more rapid and natural breakdown.

Waste generation

While Cargolux's ISO 14001 also encompasses waste management, it has not established formal, quantified targets specifically related to waste.

E5-4 RESOURCE INFLOWS

Cargolux and Luxcargo Handling currently report the quantitative data on two main resource inflows for its ground handling operations linked with Cargolux flights leaving Luxembourg Findel Airport: wood beams and plastics. Additional inflows include paper, cardboard, stretch film in packaging operations along with spare parts and supplies linked with aircraft maintenance. However, the availability of data is currently limited, and further mapping of resource inflows will be considered in the future.

In 2025, Cargolux's use of wood beams and plastic increased to 3,154 tonnes and 184 tonnes respectively. This is due to the inclusion of Luxcargo handling, who purchase and use packing material to load cargo onto non-Cargolux airlines. The standard plastic was purchased by LCH to use for other clients and not for Cargolux. Therefore, the target in E5-3 was met and satisfied.



MATERIALS USED BY WEIGHT OR VOLUME

		2025	2024*	2023*
	Wood			
	Wood beams	tonnes	3,154	2,928
	Cargo plastic			
	Biodegradable	tonnes	173	72
	Standard plastic	tonnes	11	69
	Total	tonnes	184	153
Total weight of products and technical and biological materials		tonnes	3,338	3,069
Percentage of weight of secondary reused or recycled components		%	0	0

* Luxcargo Handling was acquired in Dec 2023 and is excluded from 2023 and 2024 due to limited data availability



The reported usage of wood is based on the date of delivery (for Cargolux) and the purchase order date (for LCH) within the reporting period. The data is recorded in volume (m3) and converted into tonnes using the density of 699 kg/m3 by Forest Research. The volume is measured by the suppliers and indicated in the invoices. The data is aggregated and reported for the preparation of this disclosure.

The weight of packing plastics used in operations for all Cargolux flights departing from Luxembourg is based on the date of delivery. Deliveries are roughly between 4-6 weeks, where the quantity of rolls by type is included. The weight is converted to tonnes for each plastic type based on the supplier's product specifications.

E5-5 RESOURCE OUTFLOWS

Waste management is an integral part of Cargolux's operational sustainability efforts. The waste generated across all operations stems from the following primary activity streams: aircraft maintenance, cargo packaging, office administration, and meal production for the canteen. Each of these streams contributes distinct types of waste which are carefully categorized and managed according to their composition and environmental impact. Both measurements are not validated by an external body other than the assurance provider.

- **Aircraft maintenance:** Various waste materials are generated including both hazardous and recyclable components. This includes metals (such as aluminum) which are sorted and processed for reuse or recycling. Maintenance activities often result in residues such as used oil, paint, solvents, batteries, and filters. These are classified as hazardous and require careful disposal procedures due to their potential environmental and health risks.
- **Cargo Handling:** At the Cargo Center in Luxembourg, operated by Luxcargo Handling, a variety of operational waste streams. During the consolidation and deconsolidation of goods from cargo stacks, materials such as plastic sheeting, strapping bands, and wooden pallets may be removed or damaged and added to non-hazardous solid waste. Hazardous and regulated waste streams include residues from damaged, leaking or rejected shipments. Waste related to ground handling equipment, aircraft handling, electronic equipment related to terminal operation and maintenance. For live animal transport, the process can result in additional animal waste, dismantled wood crafts, or hay.

- **Meal production:** Catering facilities primarily generate organic waste including food scraps and biodegradable materials which are classified as biomass waste. All biodegradable waste is processed into bioenergy. Some packaging materials, such as cardboard & paper (biomass) and glass (non-metallic), may also be recycled.
- **Office administration:** These activities contribute largely to recyclable and residual waste. Mixed municipal waste from the office areas and recyclable materials such as plastics, paper, cardboard and glass are collected and handled by a third-party waste collection provider.

Waste sorting is a crucial process within Cargolux facilities and different types of waste are identified using a color-coding system. This system, which directly engages employees, is designed to streamline the sorting process and ensure that each type of waste is properly categorized for efficient disposal or recycling. The color-coded system helps employees easily identify and segregate recyclable, hazardous materials, and general waste, promoting environmental sustainability and responsible waste management practices.

The various waste tonnages reported below are for all Luxembourg facilities from Cargolux Airlines International in 2023 and 2024. In 2025, the waste from Luxcargo Handling; mostly from packaging waste from cargo operations, are included in the report period. Waste data from stations is not included. The waste data is approved by the waste management company that handles the disposal and provides direct measurements. The weight of the waste is recorded and documented on the certificate issued by the waste management company. Waste classification is based on CED2 codes and internal designation of waste. Destruction or valorization are based on EU waste treatment codes (D and R). Across the Cargolux Group, no radioactive waste is generated in the operational boundary defined under the Article 3(7) of Council Directive 2011/70/Euratom.

* *other recovery operations methods include treatment methods employed to deal with the following materials: incineration (with energy recovery), end-of-life tires, lead batteries, aluminum, mixed materials, edible oil and fat, discarded electronic equipment, street cleaning residues and waste from sewage cleaning.*

** *Luxcargo Handling was acquired in Dec 2023 and is excluded from 2023 and 2024 due to limited data availability.*

Waste generated, breakdown by hazardous and non-hazardous waste

WASTE DIVERTED BY		UNIT	2025	2024**	2023**
Hazardous		kg	854,821	313,866	259,656
Non-Hazardous		kg	1,987,394	281,234	252,942
Total		kg	2,842,215	595,100	512,598

Waste diverted from disposal, breakdown by hazardous and non-hazardous waste and treatment type

WASTE DIVERTED BY		UNIT	2025	2024**	2023**
Hazardous	preparations for reuse	kg	-	-	-
	recycling	kg	541,568	18,373	8,949
	other recovery operations	kg	40,326	21,280	2,000
Non-Hazardous	preparations for reuse	kg	-	-	-
	recycling	kg	312,665	123,580	99,913
	other recovery operations	kg	1,474,394	109,200	0
Total		kg	2,368,953	272,433	110,862

Waste directed to disposal, breakdown by hazardous and non-hazardous waste and treatment type

WASTE DIVERTED BY		UNIT	2025	2024**	2023**
Hazardous	incineration	kg	-	-	-
	landfill	kg	-	-	-
	other disposal operations*	kg	272,927	274,213	248,707
Non-Hazardous	incineration	kg	-	-	-
	landfill	kg	-	-	-
	other disposal operations*	kg	200,335	48,454	153,029
Total		kg	473,262	322,667	401,736



CHAPTER 6

SOCIAL

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The material impacts, risks and opportunities (IROs) identified for the Cargolux Group under ESRS-2 SBM-3 form the basis of the disclosures in ESRS-S1 – Own Workforce. These IROs are translated into workforce related topics reflecting areas of strategic relevance for the Group's human capital management approach. While the identification of IROs is performed at Group level, the extent to which they are managed and operationalized may vary across entities, reflecting different levels of organizational maturity.

Key workforce related impacts, such as occupational health and safety, skills development, employment conditions and workforce availability, are intrinsically linked to the Cargolux Group's strategic priorities and operational resilience. Internal cross functional workshops conducted as part of the double materiality assessment (DMA) under ESRS-S1 involved HR, OHS, Learning & Development, and other departments to validate and refine these IROs. The biennially conducted employee engagement survey complements these processes by assessing employees' perspectives on their work, company culture, governance and workplace environment. The outcomes of these initiatives ensure that workforce insights are embedded in strategic decision making and business model adaptation.

The workforce related topics derived from the Group's material IROs relate primarily to the following areas:

- Occupational Health & Safety and human rights
- Social dialogue and collective bargaining
- Working conditions
- Training and personal development
- Talent attraction, retention and workforce availability
- Employee wellbeing and work life balance
- Diversity, Equity & Inclusion (DEI)
- Workplace culture, conduct and data protection

These topics are continuously monitored through surveys, feedback loops, compliance audits and operational KPIs, ensuring alignment with the Group's strategic objectives and regulatory obligations.

Positive impacts primarily arise from improved working conditions, structured employment frameworks, and DEI initiatives, including enhanced flexibility, targeted training and inclusive workplace practices. Material negative impacts are typically associated with operational working conditions, such as shift work or psychosocial factors, as well as isolated cases of inappropriate conduct or risks related to data privacy. These are addressed through established policies, preventive measures, and governance mechanisms, including safety management systems, training programs, and reporting channels.



The Group has developed a nuanced understanding of workforce related risks, including those affecting specific employee groups or operational contexts. This includes risks linked to occupational health and safety, workforce wellbeing, availability of qualified personnel, data protection and compliance, and potential human rights risks within parts of the value chain. While aviation activities within direct operations are subject to stringent regulatory oversight, risks such as forced or child labor may arise in certain value chain activities in regions with differing labor protections. The Group continues to refine its human rights framework in line with international standards.

The Cargolux Group's business model is highly dependent on the availability, retention and development of specialized aviation professionals, including pilots, engineers and operational staff. Workforce related factors such as health and safety performance, psychosocial risks, gender imbalance and wage competitiveness influence operational continuity, cost structures and employer attractiveness. At the same time, opportunities related to training, workforce planning, DEI and flexible work arrangements contribute to strengthening talent pipelines and long term resilience. In the short term, health and safety risks may directly affect operations; in the medium term, engagement and skills development influence productivity and retention; and in the long term, the transition to climate neutral operations is expected to require reskilling and workforce adaptation.

The Group is also assessing the social implications of its environmental transition plans, including potential impacts on workforce skills, job profiles and working conditions. A just transition approach is being pursued, with a focus on training, internal mobility and employee engagement.

At entity level, the management of workforce related IROs reflects differences in organizational maturity. For example, Luxcargo Handling addresses material workforce risks—such as health and safety, working conditions, engagement and operational continuity—through a combination of operational controls, KPI monitoring, social dialogue and targeted improvement initiatives. Planned actions, including workforce planning, succession management, and leadership development, support both risk mitigation and the realization of opportunities related to talent development and organizational resilience.

Across the Group, the company aims to ensure that its activities do not cause or contribute to material negative impacts on its workforce through structured governance frameworks, responsible operational practices, and accessible grievance mechanisms. The effectiveness of these measures is monitored through incident reporting, KPI tracking, internal audits, and employee feedback, ensuring continuous improvement in managing workforce related impacts, risks and opportunities.



ESRS-2 GENERAL DISCLOSURES

ESRS-2 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Material risks, opportunities and impacts related to the own workforce

Cargolux's business model is inherently dependent on a skilled and qualified workforce, reflecting the safety critical and operational nature of the aviation sector. The Group's activities in air cargo transportation, cargo handling and aerial firefighting require specialized competencies, certified training and strict adherence to safety and regulatory requirements.

This disclosure covers all employees and non-employees within the Group's own workforce who can be materially impacted by the undertaking, as further detailed in S1-6 *Characteristics of the undertaking's employees* and S1-7 *Characteristics of the undertaking's non-employees*.

As a result, impacts on the own workforce are directly linked to operational and financial risks and opportunities, as well as to the Group's long term resilience and performance. These impacts originate from and are closely connected to the execution of the Group's strategy and business model, and inform the continuous adaptation of workforce planning, training strategies, and health and safety

programs, as further described in S1-1 Policies, S1-3 *Remediation processes* and S1-4 *Actions and resources*.

Risks and opportunities

The Group has identified several material risks arising from its dependency on its workforce:

- Operational risks, where workforce shortages or insufficient staffing levels may affect the ability to maintain reliable and continuous operations
- Safety and compliance risks, particularly in relation to fatigue, workload and operational pressure in a 24/7 environment
- Human capital risks, including challenges in attracting and retaining qualified personnel in a competitive labor market
- Cost-related risks, where turnover or labor shortages may result in increased recruitment, training and retention costs

These risks may affect service reliability, operational performance and cost structures and are therefore considered material. They arise both from the Group's impacts on its workforce (e.g. working conditions) and its dependency on a skilled workforce, and are actively managed through policies, engagement processes and actions described in S1-1 to S1-4.

At the same time, the Group's reliance on a skilled workforce creates opportunities, including:

- enhanced operational performance and safety, supported by a well-trained and engaged workforce
- improved employee retention and productivity
- strengthened employer attractiveness
- continuous improvement and innovation driven by workforce expertise

These opportunities contribute to operational resilience, service quality and long term value creation, and are integrated into the Group's overall business strategy.

Nature of material impacts on the workforce

Material impacts on the own workforce primarily arise within the Group's own operations and are linked to working conditions in safety-critical, shift-based and physically demanding environments.

Material negative impacts identified are primarily structural and context-driven, relating to working conditions (such as fatigue, workload and occupational health and safety exposure) rather than isolated individual incidents. These impacts are closely linked to specific operational roles and environments.

Material positive impacts arise from activities including training, certification, continuous professional development and structured safety management systems, as further described in S1-4. These initiatives benefit employees across operational and technical roles, contributing to skills development, employability and career progression.

Impacts of the environmental transition on the workforce

Cargolux's transition toward reducing its environmental impact is primarily driven by technological and operational measures, including fleet renewal, fuel efficiency improvements, the use of Sustainable Aviation Fuel (SAF), and the electrification of ground operations.

Based on the assessment performed, no material negative impacts on the own workforce, such as restructuring, workforce reductions or employment loss, have been identified. The transition does not involve fundamental changes to the Group's business model or workforce structure.

However, the transition leads to evolving competency requirements, particularly within technical and operational roles. These include:

- adaptation to new aircraft technologies and systems
- increased knowledge related to fuel efficiency and environmental performance
- ongoing training and upskilling

These developments represent positive impacts on the workforce, contributing to skills development, long term employability and operational resilience, and are reflected in the Group's training and development approach described in S1-4 and S1-13.

Human rights risks in own operations

Cargolux has assessed the potential for incidents of forced labor, compulsory labor and child labor within its own operations. This assessment is based on the Group's human rights due diligence framework, including its human rights risk assessment methodology, which considers the severity and likelihood of potential impacts across activities, geographies and workforce categories, as well as existing control and mitigation measures.

The assessment covers both employees and non-employees within the Group's own workforce and is informed by internal analyses, stakeholder engagement processes and the human rights risk assessment conducted in 2024.

Based on this assessment, no operations are considered at significant risk of forced labor, compulsory labor or child labor, either in terms of type of activity or geographic location, taking into account the controls and mitigation measures in place.

This conclusion reflects the following factors:

- the nature of the Group's activities, which are conducted in a highly regulated and safety critical aviation environment requiring qualified personnel and formal employment arrangements
- the fact that operations are largely performed within controlled environments such as airports, where access to secure areas is subject to strict identity checks, background screening and clearance procedures
- the Group's geographical footprint, which is centered in jurisdictions with established legal frameworks and enforcement mechanisms relating to labor rights
- the existence of established internal controls and due diligence processes, including structured policies, training, grievance mechanisms and oversight functions

At the same time, the Group recognizes that potential human rights risks may arise in connection with global operations and the use of non-employee workforce categories, particularly in jurisdictions with varying labor rights standards. Internal risk assessments identify that such risks are generally more likely to arise in relation to third-party relationships and the broader value chain, rather than within the Group's direct employment practices.

Where potential risks are identified, they are mitigated through the Group's due diligence processes, including KYS/KYC procedures, supplier requirements and contractual controls, as well as ongoing monitoring and engagement mechanisms.

Taking these elements into account, the Group considers the residual risk of forced labor and child labor within its own workforce to be low.

Nevertheless, given the global nature of aviation operations and exposure to international labor markets, residual risks cannot be entirely excluded. The Group therefore continues to monitor its employment practices through periodic risk assessments, integration with grievance and reporting mechanisms, and ongoing oversight by relevant functions, as part of its continuous human rights due diligence approach.

Understanding of groups potentially at higher risk of negative impacts

Cargolux has developed an understanding of how certain groups within its workforce may be more exposed to potential negative impacts, based on the characteristics of its operations and working environment. This understanding is informed by the Double Materiality Assessment and engagement processes described in S1-2.

Exposure to impacts is primarily driven by type of activity and working conditions, rather than personal characteristics.

Employees in operational and safety critical roles are identified as having higher exposure, including:

- flight crew, due to irregular schedules, long-haul operations and fatigue-related risks
- ground handling personnel, particularly within Luxcargo Handling, due to the physical nature of tasks
- maintenance and engineering staff, due to technical and safety critical environments

In addition, employees working in shift based and 24/7 operational contexts may experience increased exposure to workload, fatigue and work-life balance constraints.

Less experienced employees in operational roles may also require additional support and training, particularly in safety-sensitive environments.

Group-specific risks and opportunities

Cargolux has assessed whether its material risks and opportunities are uniform across the workforce or specific to particular groups.

The analysis indicates that several risks and opportunities are not evenly distributed, but instead relate to specific employee groups:

- fatigue and work-life balance risks are primarily relevant for flight crew and shift-based operational roles
- occupational health and safety risks are more significant for ground handling personnel and maintenance staff
- technical and regulatory risks are concentrated in engineering and operational functions

Similarly, certain opportunities are group-specific, particularly for technical and operational roles, including:

- specialized training related to new aircraft technologies and operational improvements
- targeted upskilling aligned with evolving regulatory and environmental requirements

Other workforce-related risks and opportunities, such as those linked to general working conditions, company culture and policies, are considered to apply across the workforce as a whole.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S1-1 POLICIES RELATED TO OWN WORKFORCE

Cargolux has implemented a comprehensive suite of internal policies to manage the material impacts, risks, and opportunities related to its own workforce. These policies reflect the airline's long-standing commitment to fostering a safe, inclusive, and fair working environment. They are devised according to international human rights standards, including the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs), and the UN Global Compact (UNGC) of which Cargolux is a signatory.

Alignment of policies to internationally recognized instruments

UDHR - Cargolux's commitment to respecting human rights in all business operations is rooted in the principles outlined in the UDHR, which emphasizes the inherent dignity and equal rights of all individuals.

UNGP - Cargolux adheres to the UNGPs, which provide a framework for businesses to prevent and address human rights abuses linked to their operations. The corporate due diligence processes and remediation measures meet the requirements of these principles.

UNGC – As a signatory of the UN Global Compact, Cargolux is committed to respecting the ten guiding principles which cover human rights, labor, environment, and anti-corruption. This commitment bolsters the company's dedication to upholding internationally recognized human rights standards.



KEY WORKFORCE POLICIES AND PRACTICES

All new policies introduced by Cargolux Airlines are reviewed by the HR Leadership Team and the Executive Committee. In accordance with the Luxembourg Labor law, some of those policies are also reviewed by the Staff Delegation prior to signature, when applicable. These HR policies are included in onboarding materials, accessible to all employees of Cargolux Airlines via the company intranet and strengthened by compliance and DEI training. External stakeholders such as legal representatives are held to the same standards through the Sustainable Supplier Charter and Code of Conduct, which are aligned with ILO principles.

Employee Code of Conduct & Ethics

The Cargolux Code of Conduct establishes the moral principles that guide us in all our activities and operations at Cargolux. The comprehensive Code of Conduct and Ethics explains how employees are expected to act fairly working for the airline, respecting competition law, not paying or receiving bribes, and avoiding conflicts of interest. It includes the principles when working with customers, suppliers, and each other. The code covers how all privileged/confidential information and assets should be protected, respecting all local and international laws and regulations in its operations. It also outlines the airline's responsibilities in social and environmental impacts through its activities.

The Code of Conduct & Ethics applies to all employees of Cargolux Airlines and Cargolux Italia, Executives, Members of the Board of Directors and Agents acting on behalf of any of these parties.

The code establishes the moral principles that guide us in all the airlines activities and operations at Cargolux Airlines. Ethical corporate and individual behavior is a precondition for delivering service excellence leading to sustainable and profitable business. As a signatory to the United Nations Global Compact, we actively support the 17 Sustainable Development Goals and have incorporated these principles into the airline's corporate strategy. These principles are also embedded in the Code of Conduct & Ethics.



DIVERSITY AND EQUAL TREATMENT

Anti-harassment and non-discrimination policy

The Anti-Harassment & Non-Discrimination Policy, set out principles, guidelines, and commitments governing respectful, fair, and inclusive working conditions. It is supported by a message from the CEO and an Executive Statement. The policy provides the legal definitions of harassment and discrimination. It provides guidance on how to identify the different forms of both together with details of how to seek advice/support. Furthermore, the policy details the reporting procedure as well as the different resolution mechanisms including the possibility of disciplinary measures/sanctions taken against individuals found to be harassing or discriminating against others. It also allows sanctions for those who bring false claims against others. The final section highlights the process of ongoing communication and awareness raising as well as a commitment to update the policy as needed.

In setting its Anti-harassment and non-discrimination policy, Cargolux considers views from employees received through its Employee Engagement Survey, the staff delegation or via direct feedback to HR. Other stakeholders whose views are taken into account - depending on the policy include the compliance and legal departments.

As a global company, Cargolux takes a wider view on these topics:

- In the EU, the protected grounds are sex, sexual orientation, disability, age, religion or belief, racial or ethnic origin, color, genetic features, language, political or other opinion, national or social origin, association with a national minority, property, birth or other status.
- In the US, Federal laws prohibit discrimination on the basis of the following protected classes: race/color, religion, national origin, sex (including gender, pregnancy, sexual orientation and gender identity), age (over 40), disability, citizenship, veteran status, genetic information. State law may include further protected classes.

This policy applies to all employees and executives of Cargolux Airlines, Cargolux Italia, and Aquarius Aerial Firefighting. The policy is complemented with a mandatory e-learning course assigned to all the employees.

The content of these guidelines has been drafted in accordance with the terms of Luxembourg labor law. It is aligned with EU law, key ILO conventions, ISO 30415 and OECD Guidelines. Should any provision of these guidelines be invalid under local labor law, local labor law shall prevail.

Diversity, Equity & Inclusion (DEI) policy

Introduced in 2024 and endorsed by the Executive Committee, the DEI policy's aim is to foster a culture of belonging aligned with the airline's commitment to be inclusive. The Policy is applicable - but not limited - to practices and policies on recruitment and selection, compensation and benefits, working conditions, talent management, learning and development and reintegration after a long-term absence. Cargolux Airlines has also embedded in its core competencies a DEI dimension. The policy asserts that DEI actions support human dignity and reflect the diverse backgrounds of its employees. It also strengthens business performance by driving innovation, attracting talent, meeting stakeholder needs, and enhancing collaboration.

This policy applies to all employees and executives of Cargolux Airlines, Cargolux Italia, and Aquarius Aerial Firefighting.

The Cargolux Collective Work Agreement, Diversity, Equity & Inclusion (DEI) policies, and Anti-Harassment & Non-Discrimination policies are developed and implemented in alignment with internationally recognized third-party standards. This includes ILO Core Conventions, ILO C190 on Violence and Harassment, OECD Guidelines for Multinational Enterprises, UN Guiding Principles, ISO standards (ISO 30415), the EU Charter of Fundamental Rights, relevant EU directives, and Luxembourg employment and anti-discrimination legislation.

When developing HR owned Policies, the organization ensured that the interests and expectations of key stakeholders were identified and incorporated into policy design. We considered the interests of the following stakeholder groups, who are either directly affected by the policies or play an essential role in implementation: Employees, Delegation/ Unions, People managers and supervisors, Human Resources and company Leadership.

Corporate Reporting & Whistle-blowers Protection Policy

Employees of Cargolux Airlines and Cargolux Italia are all covered under independent whistleblowing policies. Each entity implements their own Whistleblowing policy, which follows a consistent framework and common principles, while being adapted to their respective legal and organizational requirements. Each Corporate Reporting & Whistle-blowers Protection Policy describes the procedure to be followed by employees or agents wishing to report alleged violations to the companies. The policies also establish the legal framework underpinning these processes, including specific provisions to ensure the protection of any Reporter. The policies include the processes each company adopts in the investigation, decision, documentation and reporting of allegations. For further information, see G1-1 Business Conduct Policies and Corporate Culture.



Luxcargo Handling has separate harassment, discrimination, and whistleblowing policies which apply to the entire workforce. This includes all employees, temporary and agency workers operating during work-related contexts. The "Politique de Prévention du Harcèlement et de la Discrimination" (Anti-harassment and non-discrimination policy) aims to ensure fair treatment, equal opportunities and a respectful working environment for all employees. It outlines prohibited behaviors, and reaffirms a zero-tolerance approach. Grounds of discrimination include gender, sexual orientation, age nationality, ethnicity, race, religion, belief, disability, health condition and other protected characteristics under Luxembourg labor law.

The "Politique Whistleblowing" (whistleblowing policy) covers how employees report concerns or misconduct in a safe and confidential manner, thereby mitigating risks related to unethical behavior or breaches of labor standards. It explains reporting channels, including the confidential Speak Up platform, describes investigation and follow-up procedures, and ensures protection against retaliation through confidentiality or anonymity. For further details, see G1-1 Business Conduct Policies and Corporate Culture.

The undertaking does not yet have dedicated processes explicitly designed to monitor compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration, or the OECD Guidelines. However, the policies are fully aligned with the strict Luxembourg legal framework.

In setting its policies, Luxcargo Handling takes into account the interests of employees, employee representatives, management, HR, and Health & Safety stakeholders, as well as legal and regulatory requirements. Input from social dialogue, workforce engagement, occupational health, and operational experience is considered to ensure policies are practical, fair, compliant, and aligned with the needs of the workforce and the company's operational context.



HEALTH AND SAFETY

Occupational Health & Safety (OHS) Policy

The policy sets out the commitments and principles for protecting the health, safety, and welfare of all individuals affected by its activities. The policy highlights that employees are considered the company's most valuable asset and establishes compliance with all applicable legislation and other relevant requirements as a minimum standard. The policy aims to promote a strong OHS culture across employees, suppliers, and contractors, encouraging shared responsibility in minimizing risk exposure. It also commits to maintaining open dialogue with stakeholders and to providing relevant information upon request. Furthermore, the policy commits to developing and maintaining a management system aligned with ISO 45001:2018. The policy is endorsed and signed by the President & CEO, demonstrating executive-level commitment.

The policy is applicable to all Luxembourg-based employees of Cargolux Airlines. The OHS Policy is aligned with Luxembourg's applicable occupational health and safety legislation and other mandatory regulatory requirements. It is also based on the international standard ISO 45001:2018, which the company commits to develop and

maintain as the framework for its OHS management system. The Cargolux OHS Policy will be reviewed in 2026 with the intention of incorporating the stations.

In developing the Occupational Health and Safety Policy, the company considered the interests and expectations of key stakeholders, including employees, managers, contractors, and relevant Luxembourg regulatory authorities. The policy integrates stakeholder expectations for a safe working environment, open dialogue, and adequate training, as well as compliance with all applicable legal requirements.

Physical environment considerations for disabilities

Cargolux Airlines ensures compliance with all applicable health and safety legislation and maintains its facilities in line with regulatory requirements. In accordance with its Health & Safety policy, the company conducts regular risk assessments and invests in measures to mitigate identified risks. This includes making necessary adjustments to the physical environment to ensure health and safety for workers, customers, and visitors with disabilities. Employee training is a cornerstone of Cargolux Airlines' approach, ensuring that all staff members are equipped to work safely and inclusively. Systematic inspections and audits are carried out to verify adherence to processes established under the ISO 45001-certified Occupational Health & Safety Management

System. Furthermore, Cargolux operates a structured reporting system to capture and escalate all risk-related events, enabling timely corrective actions and supporting continuous improvement.

In parallel, Cargolux initiated an investment program for 2026-2027 aimed at improving the accessibility of facilities in Luxembourg for employees and visitors with reduced mobility. This plan includes structural adaptations and compliance-oriented upgrades designed to ensure alignment with accessibility standards and to reinforce the broader commitment to inclusiveness and equal access to the workplace.



Cargolux Italia: Health and safety conditions at Cargolux Italia are governed by a comprehensive Health and Safety Program, rather than by a single standalone policy. The Health and Safety Program is documented through a structured set of internal procedures and technical documents, including the Risk Assessment Document (Documento di Valutazione dei Rischi – DVR). The DVR identifies potential workplace hazards and defines preventive and protective measures to mitigate such risks. The Health and Safety Program also includes emergency management procedures, covering fire prevention, first aid, and evacuation measures, as well as the designation and training of employees responsible for emergency response. The program is supported by a dedicated Health and Safety governance framework, including the appointment of a Health and Safety Officer (Responsabile del Servizio di Prevenzione e Protezione – RSPP). This function is fulfilled by an external qualified consultant, in line with Italian regulatory requirements.

Health and safety initiatives and processes applies to all C8 employees, with measures and training adapted to the specific risks associated with different roles and activities. This program is designed and implemented in compliance with Italian Legislative Decree No. 81/2008, which consolidates Italian legislation and aligns with the applicable EU occupational health and safety directives. Employee interests are considered through legally mandated worker involvement mechanisms, ongoing dialogue with health and safety professionals, and continuous review and updating of risk assessments and preventive measures.



STABLE EMPLOYMENT, WAGE STRUCTURE, COLLECTIVE BARGAINING

Collective Work Agreement (CWA)

A Collective Work Agreement is a legally binding agreement negotiated between employers or employer associations and trade unions, setting out working conditions for a defined group of employees. It establishes key terms for all employees such as wages, working hours, overtime compensation, leave entitlements, and health and safety provisions.

The Cargolux Airlines' CWA includes common conditions of employment applicable to CWA employees. The CWA is split between pilots, ground staff and the remaining employees. Conditions set in the CWA meet all local labor laws for Luxembourg and respect key ILO conventions, especially the freedom of association, collective action, bargaining and prohibition of discrimination. The CWA ensures fairness and consistency in the working conditions, remuneration and treatment across all employees.

Cargolux Airlines' CWA is applicable to all staff of Cargolux permanently based in Luxembourg with the exception of "exempt employees" of Cargolux Airlines and AFF. Trade unions negotiate the content of the CWA with the employer, taking into account input from employee representatives.

Luxcargo Handling: Similar to Cargolux Airlines, Luxcargo has the "Convention Collective de Travail" (Collective work agreement) for all its employees, all based in Luxembourg. The CWA includes all the conditions such as validity of contract, general obligations, working hours, holidays, health and safety at work, and remuneration.

All conditions meet (or exceed) the local labor laws and respect the right of association and collective bargaining. Similarly, the CWA is reviewed and negotiated by the trade unions.



Cargolux Italia does not adopt a single standalone corporate policy specifically dedicated to employee working conditions. Instead, working conditions are defined through a structured framework consisting of employment contracts, company level arrangements, and applicable legal and regulatory requirements, in alignment with Italian and EU labor standards and, where relevant, aviation specific regulations.

For all employees, the key aspects of working conditions — including remuneration, working hours, rest periods, holidays, leave entitlements, and employment benefits — are primarily governed by individual employment contracts and mandatory provisions of Italian labor law. These include national legislation on employment protection, working time, paid leave, equal treatment, and social security. This framework ensures that minimum legal standards are consistently applied across the workforce.

For flight crew (pilots), working conditions are further shaped by aviation specific regulatory requirements, including EASA and ENAC rules governing flight time limitations, duty periods, and rest requirements. In this context, pilots' interests are represented by APCI (Associazione Piloti Cargolux Italia), which is a trade union association. APCI has played a fundamental role in the negotiation of the flight crew employment contract and represents a central and structured counterpart in dialogue with company management on matters relating to pilots' working conditions. While the resulting arrangements do not take the form of a national collective labor agreement signed with confederated unions, the agreement negotiated with APCI constitutes the primary reference framework governing the employment conditions of the flight crew.

For ground staff, working conditions are determined through individual employment contracts in compliance with Italian labor law, including the applicable National Collective Labor Agreement (CCNL Metalmeccanici). In addition, a small internal employee association represents ground staff interests and facilitates dialogue with management on workplace related matters.



OTHER WORK-RELATED RIGHTS

Human Rights commitment

Cargolux Airlines' commitment to Human Rights was formalized in a declarative policy in 2021. This policy is grounded in international frameworks such as the UN Global Compact. Due diligence checks are conducted on vendors and agents to ensure no forced or compulsory labor is used and to prevent and eliminate child labor within the supply chain. As a signatory of Luxembourg's Pact for Business and Human Rights, a voluntary initiative sponsored by Luxembourg's Ministry of Foreign and European Affairs and coordinated by Luxembourg's House of Sustainability, Cargolux Airlines aligns with the UN Guiding Principles on Business and Human Rights. The airline publishes an annual Human Rights Report, which is reviewed by an external party appointed by the relevant authority. The external auditor provides recommendations for improvements.

Luxcargo Handling: does not yet have a formal Human Rights Policy. However, key human rights principles are already embedded in existing practices on Group level, including compliance with labor law, health and safety management, non-discrimination rules, and the provisions of the applicable collective work agreement.

Luxcargo Handling's workforce policies explicitly address trafficking in human beings, forced or compulsory labor, and child labor through:

- Compliance with Luxembourg labor law, which strictly prohibits child labor, forced labor, and human trafficking, and sets robust protections for all employees.
- Reference in the applicable collective work agreement, which reinforces these prohibitions and ensures adherence to ethical labor practices.
- Formal employment contracts for all employees and temporary staff, ensuring that all work is voluntary and of legal working age.
- Agency oversight, with framework agreements reviewed annually to ensure compliance with labor standards and human rights principles.

As a result, the company considers the risk of child labor, forced labor, or human trafficking in its operations as negligible.



S1-2 PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Cargolux Airlines actively engages with its workforce through multiple structured and informal channels to ensure that employee considerations are included in decision-making processes.



ENGAGEMENT MECHANISMS

Employee engagement survey

Conducted biennially over three weeks, the survey of over 35 questions is sent to all employees asking their opinion on various company-related topics. This tool is used to measure the employees' level of engagement and satisfaction. The questions are designed to assess employees' viewpoint on their work, company culture, senior management governance and workplace environment.

The latest survey, conducted in 2024, had a 54% response rate, and showed a modest improvement in engagement score (from 3.6 to 3.7). Notably, 84% of respondents are either engaged or contributing employees, which represents a rise from the previous Employee Engagement survey edition.

Results showed that overall, satisfaction on work-life balance has slightly improved since 2022, which coincides with the introduction of the Working From Home (WFH) policy and the option to convert the 13th month bonus payment into time off as well as the introduction of the preferential bidding system for the pilots. The corporate values of "respecting each other" and the ability of leadership to listen to staff concerns have also been following a favorable trend. The results highlighted psychosocial factors (revolving around job roles, workloads, demands) as an area of investigation and improvement for the company. In response to this, Cargolux Airlines launched an action plan to address psychosocial risks including manager training (starting with Luxembourg-based managers), the introduction of a psychosocial risks assessment tool for managers and the development of a strategy.

Company news

The company intranet, accessible to all employees of Cargolux Airlines, Cargolux Italia and AFF, is populated with a wide array of news, useful information and resources which can be consulted at any time. The platform includes a news section frequently updated based on business needs. Employees are informed about ongoing initiatives, opportunities and achievements of the company via the intranet or through dedicated email updates. The Corporate Communications team also publishes podcasts focused on sharing expertise and knowledge from colleagues as well as a corporate magazine "Charlie

Victor", which is distributed both internally and externally. There are also a number of departments that publish their own newsletters for defined audiences. These communication channels highlight success stories, share insights from experts and promote awareness of corporate goals.

Staff meeting

Regular staff meetings for employees of Cargolux Airlines, Cargolux Italia and AFF, led by the CEO serve as key moments for company-wide engagement, transparency, and alignment. These events provide employees with a comprehensive overview of the company's performance, strategic direction, and upcoming priorities. It also offers a platform for leadership to recognize achievements, address challenges, and reinforce the company's values and vision. Employees are invited to send in their questions ahead of the meeting and have the opportunity to ask questions during the event.

To ensure inclusivity across all locations, the meeting is livestreamed, allowing employees at international stations, or employees unable to attend physically, to participate in real time. A full recording is made available afterward, enabling everyone to stay informed and engaged regardless of their schedule or location.

At Cargolux Airlines regular meetings are also held at different levels within the organization. This approach reflects the airline's commitment to open communication and fostering a connected, informed workforce. For example, divisional meetings are held by the Head of Division. These meetings combine information cascading, with knowledge sharing and bottom-up feedback to improve two-way communication.

Equality and Safety delegates

Appointed under the Luxembourg labor law, these representatives are an important part of the governance structure and contributes to discussions related to equal treatment, anti-discrimination and safety. In some cases, employees make suggestions through the delegation, who follow-up with the company leadership either directly or during the joint delegation and management meetings.

Open feedback channels

Anonymous surveys, the Speak Up platform, and the iQSMS safety reporting system are also available to engage vulnerable people or groups. All employees, regardless of role or location, have access to these channels, which contribute directly to Cargolux's materiality assessment and risk planning.

The perspectives of LCH's own workforce actively inform decisions and activities aimed at managing both actual and potential impacts on own employees or workers; representatives. Mechanisms include:

Engagement through operational team meetings

Weekly operational meetings provide a structured and frequent mechanism for direct engagement with employees at team level. These meetings allow for discussion of day-to-day operational matters, immediate safety concerns, workload management, and work environment issues. Engagement occurs at an early stage of operational decision-making, enabling employee perspectives to inform adjustments to processes, risk mitigation measures, and resource allocation in real time. Input collected through these meetings contributes directly to managing actual and potential impacts on working conditions and employee wellbeing. The Executive Committee ensures that operational managers incorporate feedback into decisions and escalate relevant matters where necessary. Effectiveness is monitored through tracking recurring issues, reviewing grievance trends, and assessing improvements in safety performance and operational efficiency.

Engagement through employee representatives and social dialogue

LCH engages formally with elected employee representatives through quarterly delegation meetings, with additional monthly consultations when specific topics require focused discussion. This structured social dialogue enables consultation on organizational changes, workforce policies, health and safety initiatives, and other matters with potential impact on employees. Engagement occurs at both planning and implementation stages of decisions, ensuring workforce perspectives inform policy development and preventive measures. Collaboration with occupational health professionals further supports risk assessments and the design of safety initiatives. The Executive Committee oversees this process, ensuring that outcomes of consultations, agreements reached, and follow-up actions are implemented and reflected in company policies and practices. The effectiveness of this engagement is assessed through review of agreements concluded, actions implemented, resolution of grievances, and the overall quality of social dialogue.

Direct communication channels and ongoing dialogue

In addition to formal meetings, LCH maintains continuous dialogue through direct communication channels, including team briefings, internal newsletters, digital communication platforms, management updates, and employee initiatives such as contests. Other social events and recognition programs such as milestone celebrations or achievements also provide opportunities for a positive workplace sharing culture. These mechanisms allow employees to provide feedback, raise concerns, and contribute ideas at any time, including when new events or organizational changes arise. This ongoing engagement ensures that employee perspectives inform decisions on operational adjustments, training programs, workplace improvements, and wellbeing measures. The Executive Committee, in coordination with HR, Health & Safety, and Quality functions, ensures that feedback received through these channels is analyzed and translated into corrective or preventive actions where appropriate. Effectiveness is evaluated through employee feedback trends, monitoring of complaint mechanisms, and analysis of human resources indicators to determine whether engagement mechanisms are functioning as intended and supporting continuous improvement.

Engagement with particularly vulnerable or marginalized workers

At present, LCH does not operate specific targeted processes to gather the perspectives of workers who may be particularly vulnerable or marginalized. However, general engagement mechanisms remain accessible to all employees, including the whistleblowing policy, collaboration with employee representatives, occupational health professionals, and HR Business Partners. These stakeholders help identify potentially vulnerable groups and provide guidance and support where needed. While no formal targeted engagement process is currently in place, feedback received through existing channels contributes to understanding and addressing potential impacts across the workforce.

S1-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Cargolux Airlines has established structured processes to identify, investigate and remediate material negative impacts affecting its own workforce. This is documented under the “Corporate Reporting & Whistle-blowers Protection Policy”. These processes cover occupational health and safety risks (both physical and psychological), harassment and discrimination, compliance breaches and other forms of misconduct.

When a material negative impact is identified, a formal investigation is conducted by the relevant function — Compliance, Human Resources, Occupational Health & Safety or Aviation Safety — depending on the nature of the issue. The investigation aims to determine the root cause and assess appropriate corrective and remedial measures. Remediation may include policy revisions, enhanced internal controls, targeted communication, specific training initiatives, issuance of guidance, or disciplinary measures where appropriate.

The airline assesses the effectiveness of remediation measures through structured follow-up and monitoring. Cases are tracked until resolution, and corrective actions are evaluated through internal oversight mechanisms, including audit activities, KPI monitoring, management feedback and regular dialogue with staff delegation representatives. Employee surveys further contribute to evaluating whether implemented measures effectively address identified concerns. Based on these mechanisms, the airline assesses that remedies provided for material negative impacts are effective.

Grievance and reporting mechanisms

Cargolux provides multiple established and accessible channels through which employees can raise concerns safely and, where desired, confidentially. These channels are established and managed by the compliance department and are not solely dependent on business relationships.

- **Speak Up platform:** The primary whistleblowing mechanism allows employees and agents to report alleged violations of external laws, regulations or internal policies via phone, web or mobile application. The platform operates in line with the EU Whistleblowing Directive and ensures whistleblower protection. Reports submitted through Speak Up are reviewed by designated administrators within the Compliance Department under the oversight of the Vice-President Compliance & Ethics and are escalated to the CEO for validation of appropriate follow-up

actions. Thorough and impartial investigations are conducted, and cases are tracked to ensure resolution in line with legal and internal standards. The Speak Up link is also publicly available on the Cargolux website, enabling access for workers' representatives or other stakeholders who may be aware of potential negative impacts.

- **“Here for You” intranet page:** For matters relating specifically to harassment or discrimination, Cargolux maintains a dedicated HR channel. The Here for You page provides clear information on harassment and discrimination, identifies individuals who should be contacted for support and explains the internal investigation process. Depending on the situation, the HR contact will give employees the help and advice needed. If an investigation is required, this will also be communicated to the employee. These cases are monitored and tracked by the HR Department until resolution.
- **iQSMS reporting system:** From an Occupational Health & Safety perspective, all risk situations and accidental events must be reported via this platform, which is accessible to anyone working for Cargolux. Reports are handled by the OHS team in close coordination with management to ensure appropriate corrective actions are implemented. While originally designed as a safety reporting tool, the system also supports reporting of broader risk situations where relevant.

- **Direct reporting:** In addition to these formal platforms, employees may raise concerns directly with their line manager, the Compliance Department, Human Resources or the Aviation Safety Department, depending on the nature of the issue. This ensures accessibility for individuals who prefer direct engagement.

Monitoring and Effectiveness of Channels

Cargolux Airlines maintains a grievance and complaints handling framework related to employee matters. The Compliance Department tracks cases reported through *Speak Up*, while HR monitors matters raised through the “Here For You” channel. Safety-related reports submitted via iQSMS are overseen by the OHS function. Cases remain under review until closure, and follow-up actions are validated at appropriate management levels.

The effectiveness of grievance channels and remediation processes is tracked through internal and external audits, KPI monitoring and structured dialogue with employee delegation representatives. Feedback mechanisms and employee surveys provide additional insight into whether employees feel safe using the channels and whether concerns are appropriately addressed.

Through this integrated framework, Cargolux Airlines ensures that employees have multiple accessible avenues to raise concerns, that reported issues are investigated in a structured and impartial manner, and that remediation measures are implemented and monitored to prevent recurrence.

Awareness and trust in these processes

Trust in these systems is evident from the regular use of the channels, which demonstrates continued trust in the company. Cargolux also includes two questions in the employee engagement survey which ask about trust in a Just culture and confidence to speak up if in distress or if they witness a colleague in distress. Both questions are rated well and have increased over time.

All employees have received training on how to use the reporting channels and where to find them. Moreover, posters with information of the “Here For You” campaign and a QR Code linking directly to the platform can be found around the buildings. This topic is also communicated in the Compliance newsletter.

Cargolux will protect individuals against any act of retaliation on any concerns raised across any level of the organization. Cargolux’s anti-harassment and non-discrimination policy clearly states that Managers and supervisors who knowingly allow or tolerate discrimination, harassment or retaliation, including the failure to immediately report such misconduct, are in violation of its policy and subject to disciplinary measures. The policy also states that Cargolux condemns all forms of harassment and discrimination and provides an environment to foster a culture that supports open discussions and non-retaliation.



General approach to remediation of material negative impacts

LCH is committed to providing or contributing to remedy where it has caused or contributed to a material negative impact on its own workforce, including impacts related to working conditions, human rights, labor rights, harassment, discrimination, or occupational health and safety.

Employees may raise concerns through internal reporting mechanisms, after which cases are assessed and investigated through structured procedures designed to ensure confidentiality, impartiality, and fair treatment. Depending on the outcome of the investigation, the company implements appropriate corrective and preventive measures. These may include mediation, adjustments to reporting lines, workload or schedule modifications, changes of position, targeted training, process improvements, disciplinary action, or other tailored interventions.

HR Business Partners, occupational health professionals, management, and employee representatives may be involved as appropriate to ensure affected employees receive guidance, support, and follow-up. Lessons learned from individual cases are integrated into policies, procedures, and operational practices to reduce the risk of recurrence.

At present, LCH does not operate a formalized methodology to systematically assess the effectiveness of remedies. Instead, effectiveness is reviewed on a case-by-case basis. For example, after mediation or organizational adjustments in conflict situations, HR conducts informal follow-ups to confirm whether the situation has improved. In health-related matters, recommended measures are reviewed with the occupational health physician and HR to determine whether the issue has been resolved in practice.

The undertaking does not rely solely on information from business relationships regarding the existence of grievance channels; all mechanisms described are established and operated directly by the company.

Grievance and reporting channels

LCH maintains multiple formal and informal channels that enable employees, including temporary or agency staff, to raise concerns or needs directly and have them addressed. These channels are established by the undertaking itself and include:

- Direct reporting to line managers or supervisors
- Access to HR Business Partners for confidential discussion and guidance
- Employee representatives and consultation bodies
- A confidential “Speak Up” platform, allowing secure and, where legally permitted, anonymous reporting
- Direct access to management for urgent matters

The company operates a formal grievance and complaints handling mechanism covering employee-related matters. Clear roles and responsibilities are defined for handling concerns, including the involvement of independent administrators and, where necessary, investigation teams. The framework is supported by internal policies, defined follow-up procedures, confidentiality safeguards, and non-retaliation commitments.

Reporting channels are communicated during onboarding and through periodic internal communication. The whistleblowing policy has been reviewed in consultation with employee representatives to ensure clarity and acceptance. The Speak Up platform is accessible via the company intranet and public website.

Tracking, monitoring and effectiveness

All issues raised through formal reporting channels are documented and tracked within the company's internal reporting system. Each report is:

- Acknowledged within defined timelines (acknowledgement within seven calendar days);
- Documented in writing, including relevant facts, severity assessment, and follow-up actions;
- Investigated according to a structured, multi-step process;
- Closed with a documented outcome, including corrective or disciplinary measures where applicable.

Investigations are conducted within defined timelines (maximum three months unless an extension is justified). Secure data storage, restricted access, and compliance with data protection regulations are ensured throughout the process. Where appropriate, feedback is provided to the reporting individual.

The company reviews patterns and recurring themes arising from reported cases to identify systemic issues and inform improvements to policies, procedures, training, and operational controls.

Awareness, trust and protection against retaliation

LCH does not currently apply a formalized methodology to measure whether employees are aware of, and trust, the available reporting and remediation processes. However, awareness is promoted through onboarding sessions, internal communication campaigns, and accessibility of reporting channels. Structured acknowledgement and follow-up of cases aim to reinforce confidence in the system.

Additional measures are planned, including dedicated manager training in 2026 on handling concerns appropriately and protecting reporting individuals.

The company has formal policies prohibiting retaliation against individuals who raise concerns or participate in investigations. Protection applies to employees, agents, facilitators, and investigation team members. Any adverse action — including suspension, demotion, dismissal, discrimination, refusal of training, financial penalties, or ostracism — is strictly prohibited. These protections are aligned with Luxembourg whistleblower protection legislation and Directive (EU) 2019/1937.



S1-4 TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

Cargolux Airlines is committed to ensuring the wellbeing and rights of its workforce. The airline has several long-standing initiatives to prevent or mitigate negative impacts on its employees. These initiatives are designed to address various aspects of human rights, labor rights, health and wellbeing, and safety. None of the action plans implemented during the reporting period required significant operational expenditure (Opex) or capital expenditure (Capex) as contemplated by ESRS. Consequently, no additional disclosure regarding the allocation of significant financial resources has been provided. They include:

- Anti-Harassment and Non-Discrimination campaign including supporting trainings
- DEI Policy and an accompanying Action Plan
- ISO 45001 certified OHS system for Luxembourg-based employees
- Recurrent training for employees and induction training for new joiners
- Reporting channels including anonymous reporting

- Monitoring via the employee engagement survey, other staff surveys and regular dialogue with the delegation
- Dedicated resources aimed at ensuring continuous dialogue and collaboration with employee representatives.



MOST SIGNIFICANT ACTIONS TAKEN IN 2025



DIVERSITY AND EQUAL TREATMENT

DEI awareness events: Cargolux Airlines aims to foster a sense of shared purpose across the organization. In 2025, a variety of meaningful initiatives and events took place; these include International Women's Day, International Men's Day, Breast Cancer Awareness Month, Mental Health Week, Diversity Day, Pride Run and Movember which were aimed at raising awareness among staff and in some case deepen employees understanding of the subject. In addition, 2025 saw the launch of Cargolux's Women in Aviation Program aimed at building practical skills to navigate workplace challenges, expanding professional networks, fostering meaningful conversations, and strengthening a more connected and equitable workplace.

Positive Actions label: Cargolux Airlines was awarded a certification from the Ministry for Equalities in Luxembourg for the company's practices in promoting gender equality, equal treatment, and a healthy work-life balance. This voluntary program supports an inclusive economy and an equal society based on three key pillars: equal treatment, equal decision making and work life balance. When submitting its application for this initiative, the airline identified seven action points across the program's pillars for implementation across the company.

In 2024, all Luxembourg-based managers were enrolled in a specific face-to-face manager training on the topic. In addition, the company launched an e-learning on the topic for all managers globally. In 2025, the airline began preparatory work to ensure that managers in its stations are also trained on harassment and discrimination. The trainings will begin in 2026. Managers play a crucial role in fostering a safe and healthy work environment; therefore, the training is designed to equip managers with the knowledge and skills necessary to prevent harassment and discrimination in the workplace. It focuses on raising awareness of managerial roles and responsibilities, highlighting the risks associated with inappropriate behavior, and providing best practice for intervention and prevention.

Data protection

Cargolux Airlines' data protection systems have currently reached the current ambition of maturity. No further actions have been planned



HEALTH AND SAFETY

Health and safety at headquarters: During 2025, Luxembourg-based employees of Cargolux Airlines working in high noise environments were given upgraded hearing protection to the staff. In addition, a chemical-management software was also introduced to better control and track hazardous products. No material investments in equipment were planned for this action. Instead, key investments focused on strengthening internal Occupational Health & Safety (OHS) capabilities through the recruitment of an additional full-time OHS specialist. The hiring process was completed in 2025, with the new position becoming operational on 1 January 2026. For the upcoming period of 2026–2027 period, the principal investments relate to the acquisition and deployment of a dedicated Occupational Health & Safety (OHS) software solution. This investment supports the airline's previously communicated objective to strengthen data management, incident reporting, and overall governance of health and safety performance across operations.

Health and safety training at stations: In 2025, we committed to strengthening the protection of health and safety for station-based workforce. Based on a structured risk assessment, we developed and deployed dedicated training program tailored to the specific operational exposure of this employee population. Separate training modules including an update on fire-extinguisher training and working-at-height was also issued. This represents a material advancement against an action not previously communication in the previous reporting period.

Mental health and wellbeing: In 2025, a week-long mental health week was launched. The week gave employees the opportunity to increase their awareness and understanding of mental health and to take part in activities that support their mental and physical health such as meditation, exercise and massage.

Aquarius Aerial Firefighting (AFF) operates in high-risk environments where operational safety is of paramount importance. This priority is reflected in both stringent training requirements and robust operational procedures. AFF pilots undergo training well above typical industry standards, ensuring a high level of preparedness for complex scenarios.

Based on comprehensive risk analyses of historical accidents and incidents associated with this aircraft type, AFF has implemented additional procedures designed to further enhance safety, particularly in the event of system failures. In parallel, the company has invested in advanced technological enhancements across its aircraft fleet—including collision warning systems, digital cockpit solutions, and other innovations—to strengthen pilots' situational awareness.

To reinforce its training capabilities, Cargolux has acquired an FTD2 aerial firefighting simulator, which will be delivered in 2026. This investment would significantly enhance pilot safety by enabling extensive in-house training of both normal and abnormal procedures under controlled conditions.



WORKING CONDITIONS

Talent review process: In 2025, Cargolux extended its new Talent Review process, to non-managerial staff. This initiative has led to a 100% coverage of the Talent Review process among all staff grades.

Peer Support program: Cargolux Airlines implemented a support program for its ground staff, extending the support already in place for pilots to the rest of the business. Colleagues across the business took part in an exercise to nominate trusted colleagues whom they would like to approach for support on work or personal matters. The chosen colleagues subsequently attended a 4-day training to acquire the skills needed to provide the necessary colleagues or alternatively refer to a professional.

Psycho-social risk prevention project: One of Cargolux Airlines' strategic objectives for 2025 was to address psychosocial risks. During the year, we designed a dedicated roadmap comprising several initiatives, including a targeted training program for managers piloted in Luxembourg. This management training was successfully rolled out at the end of 2025, marking the first milestone of the broader psychosocial-risk workplan. The airline launched a program starting initially in Luxembourg but with the option to extend it to stations around the network. The aim is to put a strategy in place and to develop assessment tools which can be used by managers, OHS and HR colleagues to assess psycho-social risks. In 2026, managers in Luxembourg will be trained on how to use the tool.



Luxcargo Handling has focused on the tracking of KPIs related to workforce and planned actions for 2026. KPIs include absenteeism, turnover, overtime, harassment and discrimination incidents. Actions planned include introducing Anti-Harassment and Non-Discrimination, and DEI awareness in onboarding along with training for all managers and a communication campaign with posters. Actions related to capturing employee perspectives include preparing a survey to capture new hires' onboarding experience, and a global employee satisfaction survey. Further plans for workforce continuity include implementing succession planning, retirement anticipation, and annual review of agency contracts.

The resources allocated are both human and financial resources such as the HR Business Partners (HRBP), Health & Safety team, and Quality team are directly responsible for implementing policies; and budgets are allocated for training, engagement programs, safety measures, and communication tools.

Effectiveness of actions and initiatives implemented for the workforce is monitored through a structured and multi-layered evaluation process. This process combines regular KPI reviews, qualitative assessments, and governance mechanisms to ensure that HR initiatives deliver the intended outcomes and support the development of a healthy and inclusive organizational culture.

Effectiveness is assessed through the following mechanisms:

- **Action owner review and HR oversight:** Each action is first reviewed by its designated owner, who evaluates progress and identifies potential obstacles. The Head of HR then consolidates and validates these assessments to ensure alignment with HR priorities and organizational objectives.
- **Regular KPI monitoring:** We have established a formal KPI review every six months to track progress against LCH's HR roadmap and medium-term objectives. Certain indicators, such as absenteeism, are monitored monthly to allow for early detection of trends and timely corrective measures.
- **HR roadmap and multi-year objectives:** A structured HR roadmap guides its actions over the next two years. This roadmap includes clear objectives and milestones, enabling systematic tracking of progress and effectiveness.
- **Employee feedback mechanisms (future implementation):** Due to the recent transfer of activities into a new legal entity, no employee survey has been conducted during the reporting period. However, the implementation of engagement surveys is planned for 2026 and will provide an additional structured feedback channel to assess the impact of HR initiatives.

Overall, the combination of KPI monitoring, structured governance, training oversight, and qualitative insights enables LCH to continuously assess and improve the effectiveness of its workforce-related initiatives.



METRICS AND TARGETS

CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

	2025 IN ABS.		TOTAL	2025 IN %	
S1-6 Total average employees	637	3,299	3,936	16%	84%
S1-6 By entity					
Cargolux Airlines	545	2,030	2,575	21%	79%
Luxcargo Handling	80	1,132	1,212	7%	93%
Cargolux Italia	10	126	136	8%	92%
Aquarius Aerial Firefighting	1	12	13	10%	90%
S1-6 By country					
Luxembourg	415	2,806	3,221	13%	87%
Italy	27	152	179	15%	85%
United States of America	64	90	154	41%	59%
China (incl. Hong Kong)	54	95	148	36%	64%
Germany	17	36	53	32%	68%
Other	60	120	180	33%	67%
S1-6 By employee group*					
Crew	23	738	761	3%	97%
Employee	399	1,057	1,456	27%	73%
Middle management	128	320	447	29%	71%
Top Management	7	53	59	12%	88%
<i>*LCH excluded for employee category split</i>					
S1-6 By contract type					
Permanent contract	598	3,120	3,719	16%	84%
Temporary contract	38	179	217	18%	82%

	2025 IN ABS.		TOTAL	2025 IN %	
S1-9 By age group					
under 30 years old	92	353	444	21%	79%
30 to 50 years old	409	2,011	2,420	17%	83%
over 50 years old	136	936	1,072	13%	87%
S1-6 Employees turnover	57	230	287	7.3%	
S1-8 Collective Work Agreement (CWA) coverage					
covered by CWA in HQ Luxembourg	326	2,514	2,841	11%	89%
covered by CWA outside Luxembourg	48	169	218	22%	78%
S1-13 Training & Skill Development					
Total training hours*	20,865	126,253	147,118	14%	86%
Employees*	545	2,030	2,575		
Avg training hours*	38	62	57		
Performance & Career development review*	526	1,418	1,944	27%	73%
<i>*excl. Cargolux Italia, AFF & LCH</i>					
S1-14 Health & Safety					
# of recordable work-related accidents for own workforce			95		
# of days lost to work-related injuries and fatalities from work-related accidents, work related ill health and fatalities from ill health			2,034		

Variations in the figures at the relevant aggregation level may result from rounding applied.

The metrics disclosed under ESRS S1 – Own Workforce are not validated by an external body other than the sustainability assurance provider.

S1-5 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Cargolux does not have a structured process of tracking the impact of its policies, however with regards to HR actions and initiatives these are tracked on a quarterly basis by managers and action owners within the department. These KPIs include metrics reported in Sustainability Reports previously under the GRI standards, and now the ESRS standards. The airline monitors the following trends linked with its HR policies:



Number of accidents



Gender Statistics
(Recruitment, promotions, and exits)



Equity analysis - Pay gap



Number of harassment and discrimination cases including trends in substantiated cases versus overall case volume.



Participation and feedback from DEI trainings, events and workshops



Training and development

Due to the size of the organization, the structure of the HR Team, and the frequent dialogue between the delegation and management, feedback from employees on the efficacy and impact of policies on employees is picked up quickly.

IATA 25by2025

2025 saw the end of IATA's 25by2025 campaign. Cargolux Airlines is proud to have been part of this mission. The percentage of female employees increase from 19% in 2021 to 21% in 2025 (key date 31/12/2025). While the headline target was not met, we are proud to have increased the number of females stepping into Director roles and above (from 8% in 2021 to 13% in 2025). In contrast, female representation among crew and mechanic populations remained stable, and did not show the growth we anticipated. These areas continue

to face global structural challenges, including traditionally male-dominated technical professions and limited external female candidate pools. We remain committed to the IATA 25by25 principles and will continue unbiased recruitment and focus, to accelerate female representation across all functions.

**lux
cargo**
HANDLING

Luxcargo Handling has not committed to targets on sustainability matters related to its own workforce. However, the effectiveness of policies and actions is monitored across periodic review under multiple functions, addressing the number of incidents under Security, Quality, Operations, and HR; including those reported in this Sustainability Report.

S1-6 CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

In 2025, the Cargolux Group had on average 3,936 employees¹, with 82% (3,221) working in Luxembourg. With offices in 24 locations worldwide, regional Hubs are located in USA (154), Hong Kong (85) and Italy (179). This geographic distribution reflects the operational footprint of the undertaking and supports its international business activities.

In 2025, the reported workforce of the Cargolux Group increased by +1,343 employees (12/2025 vs 12/2024) driven by the inclusion of Luxcargo Handling to the reported previous scope of Cargolux Airlines, Cargolux Italia and Aquarius Aerial Firefighting (AFF). Furthermore, workforce growth is fueled by consistently high operational demands and organizational growth, alongside ongoing digitalization and transformation initiatives that require continuous IT development and support.

¹ The numbers displayed under headcount consider average headcounts throughout the year (with key date being the last day of each month), whereas financial statements refer to the average FTE; i.e. headcount on the key date 31 December 2025. Average headcounts include all contracted employees (active employees, employees on sick leave, unpaid leave, maternity leave or parental leave) excluding apprentices, interns, students, contractors & agency workers. Depending on the aggregation of data, there might be differences on the totals due to decimal rounding.

The rate of employee turnover for the Cargolux Group was 7.3% for 2025². In Luxcargo Handling, all voluntary departures have been systematically analyzed through exit interviews. This process introduced in 2025 helps identify the root causes of turnover and informs targeted improvement actions.

S1-7 CHARACTERISTICS OF THE UNDERTAKING'S NON-EMPLOYEES

Non-employees for Cargolux include, but are not limited to, contractors, cleaners, consultants, company medical staff, health workers, instructors, maintenance workers, receptionists, security, waste disposal workers and canteen staff. Cargolux is currently not reporting on the characteristics non-employees listed as a phase-in data point under the ESRS. However, the health and safety incidents of non-employees under S1-14 are included.

² The turnover rate is calculated with the sum of employees that left the company divided by the average number of employees during the year. The metric excludes end of temporary contracts / student or trainee assignments, as well as transfers between Group entities. Employees that leave the company and returned during same year are however included.

³ In the table, Maintenance & Production group is part of the Employee group "Employee"

⁴ Cargolux's Upper Management comprises the Executive Committee as well as Vice President and Director positions. These roles are one and two levels below the administrative and supervisory bodies and are active contributors to the company's strategic decisions.

S1-9 DIVERSITY METRICS

The gender distribution along 2025 is composed of 84% male employees and 16% female. The percentage of female employees is impacted by two underrepresented areas, typically staffed by male employees in the airline sector. The Flight Crew workforce consists of 3% female employees and the Maintenance & Production group³ is composed of 1.8% female employees. Cargolux' Top Management⁴ is composed of 12% female employees. While there is an effort to progress in building gender diversity, Cargolux Airlines recognizes that the underrepresented areas highlight a significant opportunity to further strengthen gender diversity.

In 2025, 5.5% of Cargolux Group' workforce was employed under temporary contracts. The filling of time limited positions is focusing preliminary on replacement positions for temporary leave (maternity, parental and sick leave) and time limited projects. In line with the airlines' policies, all employees under temporary contract are treated fairly and equitably, with access to competitive compensation and benefits, safe and inclusive working conditions and opportunities for training, development and internal mobility.

The age diversity at Cargolux Group reflects the opportunity to have a valuable mix of early-career talents (11%), experienced professionals (62%) and to support career longevity (27%). The Group actively

promotes intergenerational collaboration through mentorship programs that connect junior and senior employees and continuous learning opportunities that value both experience and potential.

S1-8 / S1-10 / S1-16 / COLLECTIVE BARGAINING COVERAGE, ADEQUATE WAGES & REMUNERATION METRICS

Cargolux Airlines is committed to fair and adequate compensation across the airline's workforce, in full compliance with applicable regional labor laws, including meeting and exceeding national minimum wage requirements. For Luxcargo Handling, the same applies for contracts with non-employees.

Where applicable, wages and working conditions are determined through negotiated agreements Collective Bargaining Agreements, henceforth referred to as Collective Work Agreements (CWAs), covering as well social dialogue by employee representatives; this ensures fair and transparent compensation. 88% of Luxembourg-based employees are covered by a CWA and employee representatives.

In the European Economic Area (EEA), beside Luxembourg, there are national CWAs in Spain, Belgium, Austria, France & Italy. Considering all employees worldwide, 78% of the Group's employees are covered by a CWA.

COVERAGE RATE	CWA COVERAGE		SOCIAL DIALOGUE	
	EMPLOYEES – EEA (WITH >50 EMPL. REPRESENTING > 10% TOTAL EMPL)	EMPLOYEES – NON-EEA (WITH >50 EMPL. REPRESENTING > 10% TOTAL EMPL)	WORKPLACE REPRESENTATION (EEA ONLY)	
0-19%	Germany	USA, China	Germany	
20-39%				
40-59%				
60-79%				
80-100%	Luxembourg, Italy		Luxembourg, Italy	

The Cargolux Group does not have any agreement in place establishing an employee representation body such as a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council. However, all employees based in Luxembourg, home base for Cargolux Airlines and LCH, are represented by the staff delegation, as mandated by Luxembourg's Labor Code. Similarly, Cargolux Italia pilots are represented by APCI (Associazione Piloti Cargolux Italia).

For all non-employees of LCH, all non-employees (e.g., temporary workers) are paid an adequate wage in accordance with applicable laws and market standards. Contracts with temporary staffing agencies strictly define wage conditions and require compliance with Luxembourg legal minimum wages. Wage levels are regularly reviewed to ensure consistency with legal requirements and industry standards for similar roles. These measures guarantee that non-employees are compensated fairly, transparently, and in compliance with applicable legal requirements.

For employees of Cargolux Airlines not covered by a Collective Work Agreement, compensation practices are regularly reviewed and benchmarked to maintain internal equity, external competitiveness and to retain talents. Salaries are evaluated across employees holding comparable roles, with similar levels of competence, experience and seniority. This internal comparison helps ensure consistency

and fairness in pay across the organization. To align with market standards, the airline also conducts external compensation benchmarking. This involves leveraging data and insights from reputable compensation and benefits consulting firms to compare the salary Cargolux's salary structure of Cargolux Airlines with those of similar roles in the industry and region.

Cargolux is committed to ensuring equal pay for equal work and strives to maintain this principle across its operations. The global unadjusted gender pay gap for Cargolux Airlines, Cargolux Italia and AFF, defined as the difference of average pay level between female and male employees, is 31.1% for 2025 (+0.2ppt vs PY). This is in line with industry gender pay gap where certain specialized roles being predominantly male, such as flight crews, receive typically higher remuneration. The analysis covers all employees with an active employment contract as of 31 December 2025 for Cargolux, Cargolux Italia and AFF. Part-time salaries have been converted into full time, non EUR paid salaries have been converted into EUR at an exchange rate of 31 December 2025. The monthly gross salary has been converted into a gross hourly pay level by dividing it by 173. For the calculation the ESRS defined formula was used.

Besides the unadjusted gender pay gap, Cargolux Airlines performs an analysis on the adjusted pay gap (adjusted for personal qualifications and workplace characteristics—such as job function,

education level, and experience) for Luxembourg-based employees, using the Logib standard analysis tool for basic salaries developed by Swiss Federal Office for Gender Equality, which results in an adjusted pay gap for 2025 of 31.1%.

At LCH, a separate gender pay gap was calculated at -8.1%, where female employees earn more than male employees. This gap is primarily influenced by the composition of roles, where male employees are the majority of total employees, holding most support position across LCH while female employees occupy roles with higher average remuneration.

It has been decided not to disclose the ratio between the remuneration of the highest paid individual and the median remuneration of employees (as outlined in ESRS-S1-16) for 2025.

S1-11 SOCIAL PROTECTION

Cargolux tracks the support provided across five categories of benefits and programs designed to support employee well-being and financial security, including sick leave and family leave (leave for sick children or care for relatives), unemployment benefits/insurance, parental leave, retirement contributions and injury/disability for on-the-job injuries. Some protections are mandatory based on government regulations, while others are voluntary initiatives by Cargolux, compensating in cases loss of income is not guaranteed. The degree of the benefits varies from country to country.

Therefore, Cargolux covers all employees with social protection, through company benefits or public programs, against loss of income due to any major life events (sickness, unemployment, employment injury, maternity leave and retirement). For further on parental leave, see work-life balance under S1-15.

S1-12 PERSONS WITH DISABILITIES

The Cargolux Group does not support any form of discrimination. On disability, Cargolux Airlines, Cargolux Italia, AFF and LCH actively supports employees through its Reclassification Program, designed for individuals who, due to illness, physical limitations, or disability, can no longer perform their original job functions. This program enables affected employees to continue their careers within the organization in roles that are adapted to their new capabilities.

In 2025, 21 employees were part of the reclassification program for Cargolux Airlines. Information related to disabilities is collected based on voluntary disclosures from employees, such as the submission of medical certificates or other relevant documentation. 6 cases were reported throughout the airline (0.2%) during the reporting period.

S1-13 TRAINING & SKILL DEVELOPMENT METRICS

Learning and development refers to structured programs delivered through official channels, primarily focused on compliance, safety, and standardized procedures. These are tracked and aligned with company policies. In contrast, other types of learning—such as on-the-job learning (knowledge sharing within teams), learning that is self-directed (online courses, reading books), mentoring, conferences, workshops, academic education, or language courses—are considered personal development and are not part of the formal learning and development framework.

Flight crew (captains and first officers) undergoes additional mandatory corporate training to ensure safety, regulatory compliance, and operational readiness. As of 2025, these requirements are shaped by aviation authorities like the FAA (U.S.), EASA (Europe), and ICAO (global). Firstly, pilots are subject to a highly structured and regulated training framework. Each year, they complete two formal assessments and one major recurrent training program, all of which are mandatory and rigorously monitored to ensure compliance with aviation safety standards. These sessions cover a wide range of technical and operational topics, including aircraft systems, emergency procedures, and scenario-based simulations. The category of pilots is predominately male (96%), which accounts for the discrepancy between average male and female training hours per employee.

Up to 2024, the Performance and Career Development Review Process was only actively affecting employees in the Management section. Starting 2025, all Cargolux Airlines ground staff employees were enrolled in the Talent Review process. Subsequently the percentage of employees covered by a Talent Review process increased from 18% to 71% within Cargolux Airlines.



Luxcargo Handling operates a comprehensive training framework, including mandatory and optional training catalogues tailored to each job family. New hires follow a structured onboarding program with an initial induction phase. Training participation and completion rates are monitored to assess the relevance and impact of learning initiatives.

Luxcargo Handling also tracks an employee's internal mobility. Professional development, career planning and opportunities are reflected in this metric to allow employees to grow and be prepared for future roles within the company. This is a key component of its workforce strategy and represents more than 40% of positions filled. Mobility data is monitored to assess career development opportunities and the effectiveness of internal talent pipelines.

S1-14 HEALTH AND SAFETY METRICS

All Luxembourg operations of Cargolux Airlines are ISO 45001:2018 certified, covering 78% of its workforce, and equivalent to 51% of the total group workforce. The remaining operations across the stations and entities of Cargolux Italia, AFF and LCH are not covered by the standard.

No fatalities were reported among employees or non-employees in 2025 for the Cargolux group. The total number of work-related incidents involving employees has increased to 95 and resulting in a total of 2,034 lost workdays. Additionally, 14 accident involving a non-employee were recorded, leading to 1,040 days of time lost. The increase in incidents is primarily due to the inclusion of Cargolux Airlines stations, Cargolux Italia and LCH's operations, with the rise in days of time loss increasing due to the nature of LCH's more manual processes and operations. As LCH matures past its first year, the current trend is improving in the correct direction.

The rate of recordable work-related accidents of the own workforce is 9 accidents per 1 million working hours for Cargolux Airlines Luxembourg-based employees, and 32 accidents per 1 million working hours for Luxcargo Handling. The rate represents the number of cases per one million hours worked.

No cases of work-related ill health were reported for either employees or non-employees.

S1-15 WORK-LIFE BALANCE

Cargolux Airlines recognizes work-life balance as a key driver of employee well-being, productivity, and retention and aims to create a supportive work environment. The Working from Home policy is a benefit across all locations of Cargolux Airlines and AFF, subject to the employee's function, and designed to support employees in achieving a better work-life balance. By offering flexibility, the policy empowers employees to better manage personal responsibilities alongside professional commitments, contributing to increased satisfaction, productivity, and retention.

Luxembourg-based employees of Cargolux Airlines have the possibility to convert the 13th month salary into time off. It reflects a proactive approach to employee well-being, recognizing that time can be just as valuable as financial compensation.

The parental leave system in Luxembourg offers flexible options—ranging from full-time leave for four to six months, part-time arrangements, or split leave formats—allowing parents to tailor their leave to their family and professional needs. With approximately 20% of entitled Cargolux Airlines employees based in Luxembourg who take parental leave, this benefit is not only widely used but also highly valued. Employers benefit from improved productivity and engagement, as employees who can harmonize their personal and professional lives tend to perform better and remain committed

to their organizations. Parental leave, therefore, stands as a vital pillar of employee well-being—supporting families, promoting gender equality, and reinforcing Luxembourg's commitment to a balanced and sustainable workforce. In US we are applying the Family & Medical Leave Act to guarantee family leave.

S1-17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

In 2025, the Compliance & Ethics departments across the group received 13 complaints of discrimination with 2 confirmed incidents, 2 are still under investigation during 2026. No fines, penalties or compensation payments were made. No severe human rights issues from internal or external stakeholders across all operations were received in the report year.





CARGOLUX SUMMER ACADEMY 2025: INSPIRING FUTURE AVIATION PROFESSIONALS

In July 2025, Cargolux welcomed 80 youngsters, aged 14 to 18, to its 3rd Summer Academy, a three-day educational program designed to introduce young people to the dynamic world of air cargo and aviation. The program is part of Cargolux's commitment to supporting education, skill development, and youth engagement.

Hosted at the company's headquarters in Luxembourg, the event offered sessions in both Luxembourgish and English to reach a broad scope of participants and generate interest in this dynamic industry.

The Summer Academy combines theoretical knowledge with practical experience, offering students a unique opportunity to explore the various fields that contribute to the success of a global cargo airline – including flight operations, maintenance, and global logistics. As part of the program, Cargolux experts led interactive workshops on topics such as aircraft maintenance, weight and balance calculations, cargo handling, and flying. Participants gained insight into the technical, operational, and logistical know-how required for the safe and efficient transport of goods around the globe.

A key feature of the program is its emphasis on hands-on learning. Students participated in practical exercises and discovered activities such as sheet metal working and pallet building. This immersive approach allowed them to experience some of the technical aspects of airline operations. These activities helped translate theoretical concepts into real-world applications while showcasing the diverse skill sets required within the air cargo industry.

To further enhance the learning experience, participants were given guided tours of several operational areas within the company, including the Integrated Airline Control Center (IACC), the maintenance hangar, and the inside of a Cargolux freighter. These visits offered a glimpse behind-the-scenes and highlighted the teamwork and expertise required to keep global supply chains moving.

For many students, one of the most memorable moments was experiencing Cargolux's flight simulator and discovering the crucial role of pilots. These sessions allowed participants to engage directly with one of the most exciting aspects of aviation.

By creating opportunities for young people to interact with industry professionals and explore potential career paths, the program helps bridge the gap between education and the workplace while supporting the development of future talent for the aviation and logistics sectors.

The success of the initiative was made possible through the dedication of Cargolux employees who volunteered their time and expertise throughout the program. Their contributions helped create an engaging and inspiring experience that encouraged curiosity, broadened horizons, and may ultimately influence future career choices among participants.



CHAPTER 7

GOVERNANCE





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ESRS-2 GENERAL DISCLOSURES

ESRS-2 GOV-1 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Governance Oversight of Responsible Business Conduct

The Executive Committee of Cargolux Airlines holds overarching responsibility for the company's approach to responsible business conduct, encompassing anti-corruption, anti-bribery, and ethical business practices. This oversight is operationalized through the Compliance function, led by the Vice President Compliance, which ensures the implementation and continuous improvement of the Ethics & Compliance framework.

This framework includes robust internal controls such as Know Your Customer (KYC) and Know Your Supplier (KYS) procedures and fair competition safeguards. These controls are subject to regular review and are overseen by senior management.

All employees receive training on business ethics and compliance, and a confidential whistleblowing mechanism is in place to facilitate the reporting of suspected misconduct. Reported cases are managed by the Compliance team and escalated to relevant governance bodies as required.

The Sustainability Steering Group (SSG), composed of members of the Executive Committee and senior executives, group entity CEOs plays a key role in integrating responsible business conduct into the airline's broader ESG governance structure.

Cargolux Italia is part of the Cargolux Airlines Compliance Program and, as such, applies the Code of Conduct and Ethics framework established by Cargolux Airline. As for the newer entities within the Group, Luxcargo Handling (LCH) and Aquarius Aerial Firefighting (AFF) have not yet established comparable compliance programs.

Expertise of Governance Bodies in Business Conduct Matters

Cargolux's governance bodies are supported by dedicated internal expertise to ensure ethical conduct is embedded across strategic and operational decision-making. The Ethics & Compliance team brings extensive expertise in regulatory compliance, anti-bribery, anti-money laundering, export controls, and ethical business conduct. It is composed of 30 professionals across two key departments: Export Controls and Corporate Compliance and provides daily support to all areas of the company.



The department is responsible for implementing and monitoring the Ethics & Compliance framework, which includes:

- Policy frameworks
- Monitoring activities,
- Compliance trainings,
- Communication initiatives,
- Investigations,
- Consultation desk,
- Receipt and investigation of whistleblowers/ anonymous reports,
- Know Your Customers (KYC) and Know Your Supplier (KYS) procedures,
- Anti-money laundering related processes and verification of payments to countries subject to financial restrictive measures,
- Data Protection,
- Shipment Integrity Monitoring,
- Oversight of embargoed goods and adherence to international sanctions regimes

The Executive Committee receives regular updates on compliance risks and developments and oversees the implementation of policies related to ethical conduct - reinforcing accountability and transparency in governance.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

G1-1 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE



CORPORATE CULTURE

Corporate culture is rooted in principles of integrity, transparency and ethical conduct. The Code of Conduct & Ethics, guided by the motto “Integrity is doing the right thing, even when no one is watching” (C.S. Lewis), serves as the cornerstone for establishing, developing, promoting and evaluating ethical behavior and responsible business practices across the organization. All employees, leaders and business partners are expected to respect and adhere to its principles. The Code integrates values aligned with the UN Sustainable Development Goals and is distributed to all new employees during onboarding, together with a mandatory compliance training.

Cargolux Airlines' mission to “deliver consistent flexibility and reliability through our valued and dedicated employees creating sustainable benefits for all stakeholders in a safe environment” sets out the foundation for defining and creating a cohesive

culture where every individual contributes to the overall success of the company. Cargolux Airlines operationalizes its mission through the Cargolux Spirit, which is built on the following set of values: leading by example, respecting each other, working as a team, being dedicated and passionate, going the extra mile, being cost efficient, being flexible and delivering service excellence. These values serve as behavioral guidelines across the organization, ensuring that the mission is consistently reflected in day-to-day actions and decision making.

Corporate culture is evaluated through stakeholder engagement, internal surveys and materiality assessments that include topics such as staff welfare, diversity, and occupational health and safety. Governance structures such as the Sustainability Steering Group (SSG) and cross-functional working groups ensure that cultural values are reflected in strategic and operational decisions. Cargolux Airlines is taking further steps to embed a feedback culture by extending the talent review process to its non-managerial grade employees, a process which began in 2025. Newly established entities are not yet at the same level of maturity but will work on this in the years to come.



TRAINING ON BUSINESS CONDUCT MATTERS

Cargolux Airlines continuously strengthens its corporate culture by placing a strong emphasis on learning, development and compliance awareness for its employees. The Learning & Talent Department provides a wide range of development opportunities, while mandatory Compliance trainings ensure that employees understand all applicable laws, regulations, internal processes, policies, and the associated risks and penalties. The Compliance department has developed a course based on the contents of the Code of Conduct & Ethics. All new Cargolux Airlines and Cargolux Italia employees and agents have thirty days to complete this training, either in the form of an eLearning and a quiz or in the form of an eLearning followed by an online workshop and a quiz, depending on their position in the company. All employees, irrespective of their position, must take a refresher of the course in the form of an eLearning and a quiz on a yearly basis. Other Compliance trainings include Competing Fairly, Anti-Bribery & Corruption, Export Controls Compliance, Data Privacy & Protection, Corporate Reporting and Artificial Intelligence Compliance. For these courses, the completion deadline for new joiners is 90 days, and includes a yearly refresher module. This ensures that

employees receive clear and transparent guidance on what is expected of them and how to respond appropriately in various situations, in line with legal requirements and company procedures.





Corporate culture is always developing through emphasis on continuous learning and development of employees, who receive various trainings from the Training Department, to ensure employees are fully aware of applicable laws, regulations, internal processes, policies, and the associated risks and potential penalties. Through the training programs, the company provides clear and transparent guidance on what is expected of them and how to respond appropriately in various situations, in line with legal requirements and company procedures. At this stage, LCH has not formalized a policy for training within the organization on business conduct.



BUSINESS CONDUCT POLICIES

While the Group's established entities operate under a comprehensive framework of business conduct policies and procedures, certain newly established entities, including Luxcargo Handling and Aquarius Aerial Firefighting, are at an earlier stage of development and implementation. Consequently, the maturity and adoption of business conduct policies vary across the Group in line with each entity's stage of development.



At the time of the preparation of this report, AFF has not formalized a policy for training within the organization on business conduct.



LCH currently continues to operate its own internal procedures and practices and at this stage has not adopted the Cargolux Airlines' business conduct policies. Relating to its material G1 Impacts Risks and Opportunities, LCH has a Whistleblower Protection Policy and Data Protection and privacy Policy. During 2025, work was underway to establish relevant policies as part of the entity's compliance framework

Code of Conduct and Ethics

The Code of Conduct and Ethics outlines the company's vision, mission and values. It establishes key behavioral expectations that guide all employees in their daily activities. Sets out the principles of 'playing fairly', defining the rules for acting with integrity and adhering to ethical business practices. It further explains the standard for working with customers and suppliers, safeguarding the company's assets, and ensuring responsible conduct while traveling for business. It also reinforces the obligation to comply with international sanctions and emphasizes the importance of looking after one another by fostering a safe, respectful and inclusive workplace. Additionally, it highlights the company's responsibility for its environmental and social impact and provides guidance on the internal resources available to support employees in upholding these commitments.

The code applies to all employees, executives and agents acting on behalf of Cargolux Airlines and Cargolux Italia - being part of the Cargolux Airlines Compliance Program, it applies the Code of Conduct framework established by Cargolux Airline. The most senior level accountable for its implementation is the CEO of Cargolux Airlines.



During 2025, work was underway to establish relevant policies as part of the entity's compliance framework.

Cargolux Airlines' Code of Conduct & Ethics is aligned with a broad range of internationally recognized standards and regulatory frameworks that guide responsible, ethical and compliant business conduct. The Code reflects its commitment to the United Nations Global Compact and its 17 Sustainable Development Goals, as well as key anti corruption laws such as the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act.

The interests of key stakeholders are considered by ensuring that the organization's values such as integrity, fairness, respect and accountability guide all decision making. The policy emphasizes protecting employees, maintaining trust with customers and partners, and complying with regulatory expectations. By balancing ethical duties, legal requirements, and the expectations of those affected by the organization's actions, the Code aims to create a responsible framework that supports transparent and principled behavior across all operations.



In the absence of a formal Code of Conduct, LCH maintains a strong corporate culture via published internal rules.

Anti-Bribery, Corruption Gifts & Entertainment Policy

The Anti-Bribery & Corruption Policy outlines Cargolux Airlines' zero-tolerance stance on bribery and corruption. It defines key concepts such as corruption, bribery, conflicts of interest, and sets out the relevant legal framework and enforcement expectations. The policy details rules on gifts and entertainment, including company thresholds, examples of acceptable and unacceptable practices, the requirement to register gifts and entertainment, and the need to consult Compliance when in doubt. It also addresses conflicts of interest by explaining how to recognize and report situations such as undue representation, financial interests, personal relationships, recruitment, promotions, transfers or secondary employment. Additional forms of corruption, such as facilitation payments, interactions with public versus private entities, dealings with business partners, and charitable contributions or sponsorships, are expressly covered. Finally, the policy emphasizes prevention through training and monitoring, and outlines reporting channels to ensure concerns are raised responsibly and promptly.

The policy applies to all employees, executives, members of the Board of Directors, representatives and agents acting on behalf of Cargolux Airlines and Cargolux Italia. Failure to comply with the provisions of this policy may lead to disciplinary measures. Cargolux representatives (legal reps, GSAs) are

provided with the Code of Conduct & Ethics and specific guidelines for giving and receiving gifts/entertainment on behalf of Cargolux. In case of contradiction with the provisions of this policy, external regulations will always prevail where they are more restrictive.

The most senior level accountable for its implementation is the CEO of Cargolux Airlines. The policy is consistent with the *United Nations Convention against Corruption and Bribery* and adheres to all applicable anti-bribery regulations, including the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act. These frameworks guide our controls, due diligence processes and employee expectations, ensuring alignment with globally recognized best practices.

The Anti-Bribery & Corruption Policy was developed by the Compliance department in close collaboration with both the Legal department and the Human Resources (HR) department. HR played a central role in shaping the chapter on conflicts of interest, where they serve as key stakeholders due to the policy's direct connection to employee conduct and organizational governance.



Luxcargo Handling: At the reporting date (FY2025), LCH did not yet have a standalone Anti-Bribery and Anti-Corruption policy in place. LCH is considering adopting an Anti-Corruption and Anti-Bribery policy consistent with the United Nations Convention on corruption and bribery within the next two years.



Aquarius Aerial Firefighting: At the reporting date (FY2025), AFF did not yet have a standalone Anti-Bribery and Anti-Corruption policy in place.



Corporate Reporting and Whistleblowing Policy

The Corporate Reporting & Whistleblower Protection Policy sets out key definitions and principles governing the reporting of concerns and the safeguarding of individuals involved. It outlines the full reporting and investigation process, including how a report is initiated, how it is received and initially assessed, the conduct of the investigation, and the preparation of the final report. The policy also establishes the legal framework supporting these processes, with specific provisions on the protection of the Reporter and all individuals involved, rules on internal and external communication, and guidelines on the appropriate use of data. Additionally, it addresses specific considerations for employees and agents residing in non-EU countries to ensure consistent standards of protection and compliance across jurisdictions.

Within the Group, Cargolux Airlines, Cargolux Italia and Luxcargo Handling each implement their own Whistleblowing policy, which follows a consistent framework and common principles, while being adapted to their respective legal and organizational requirements.

The three policies apply to all allegations transmitted using the procedures herein and concerning alleged violations of external laws and regulations, and internal policies with the exception of safety matters covered by each entity's Safety Management System and matters subject to procedures defined in the Collective Work Agreement and the Flight Crew Contract for Cargolux Italia.

These policies apply and are addressed to Cargolux Airlines, Cargolux Italia and Luxcargo Handling employees and agents in whatever country they are located. It does not exclude or limit the possibility for Employees and Agents to use the external reporting channels foreseen by the Law. Likewise, other external parties (customers, independent persons, etc.) may as well use the reporting channels or processes foreseen in this Policy.

The most senior level accountable for the implementation of the Whistleblowing framework is the CEO of each entity. All three Whistleblower Protection Policies implement the legal requirements of the EU Directive 2019/1937 on the protection of people who report breaches of law, each policy follows the national legislation applicable to its operating entity. Cargolux Airlines' and Luxcargo Handling's policies apply the provisions of the Luxembourg Law of May 2nd 2023, while the Cargolux Italia policy applies the Italian Legislative Decree n. 24/2023 of March 15th 2023, which transposes the same Directive into Italian law.

Cargolux Airlines and Luxcargo Handling policies were developed by Cargolux Airlines' Compliance Department in close collaboration with the Human Resources department of respective entities.





Antitrust Policy

The policy stipulates that employees and agents respect at all times competition laws and regulations applicable relevant country and will never request any employee, agent, supplier or business partner to breach or circumvent those laws directly or indirectly. It tackles prohibited anti-competitive practices and describes special procedures, such as negotiations with competitors, interline, participation in professional organizations, seminars and other meetings with competitors and general sales agents (GSAs).

The policy applies to all employees, executives and agents acting on behalf of Cargolux Airlines and is endorsed by Cargolux Italia. The most senior level accountable for its implementation is the CEO of Cargolux Airlines.

Through the implementation of the Antitrust Policy, the company aligns itself with recognized third party standards and industry best practices by relying on external mechanisms such as GSA due diligence processes, which assess the integrity and compliance posture of relevant business partners. In addition, the policy is supported by antitrust and competition law training modules, ensuring that employees receive guidance consistent with international expectations. Contractual frameworks also reflect these standards, as clauses on fair competition, anticollusion, and market behavior requirements are embedded into supplier and partner agreements.

Together, these elements demonstrate that the Antitrust Policy respects and integrates trusted external benchmarks throughout due diligence, training, and contracting activities. The policy was drafted in cooperation between the Compliance, Legal and Sales departments.

Procurement Policy

The Procurement Policy sets out the rules and principles governing how goods and services are acquired while aiming to ensure the best value for money while maintaining transparency, fairness, sustainability, and regulatory compliance. It defines roles and responsibilities within the procurement process, outlines the required steps from identifying needs through market research, tendering, evaluation, contracting, payment and contract management, and establishes when competitive bidding is mandatory or when exemptions may apply. The policy also details the involvement and oversight role of the Tender Committee for high value or ExCom level approvals, specifies documentation and approval requirements, and provides procedures for exceptional situations such as emergencies, AOG events, confidential projects, and deviations. Breaches of the policy can lead to investigation and disciplinary measures.

The policy applies to all employees and executives of Cargolux Airlines, as well as to representatives and agents of third parties when purchasing goods

and services on behalf of Cargolux Airlines. The most senior level accountable for its implementation is the Director of Procurement of Cargolux Airlines.

Key internal stakeholders (i.e., CFO, Compliance, Fuel, Global Logistics, Maintenance & Engineering, Occupational Health and Safety, Sustainability, Travel, Treasury, Controlling) were involved in the policy design and implementation phases for both policies. Draft documents were shared with each department for input & alignment and relevant comments were taken into consideration when and wherever possible.



Cargolux Italia has its own dedicated procurement policy which entered into force mid-December 2025. From this effective date onwards Cargolux Italia no longer follows Cargolux Airlines' procurement policy for its purchases. The policy outlines how Cargolux Italia procures goods and services and aims to make the purchasing process consistent as well as ensuring that it gets the best value from its contractual relationships over time. The policy applies to all employees and executives of Cargolux Italia, including those assigned to the Korean branch and the Chinese representative office or any other activate local unit.



Know Your Supplier (KYS) and Know Your Customer (KYC) Policy

The KYS and KYC Policy sets out the core principles guiding Cargolux Airlines' approach to assessing and managing risks related to business partners and customers. It details the procedures for establishing and maintaining relationships with business partners, including the Compliance Know Your Supplier (KYS) process and the classification of partners according to risk to determine the appropriate level of review. The policy also outlines an accelerated due diligence procedure for situations requiring expedited assessment. In addition, it describes the KYC processes for cargo customers and customers of other business areas, ensuring that all relevant parties are appropriately screened. Finally, the policy addresses passive KYC processes, whereby Cargolux provides due diligence information to customers, suppliers, or partners as part of their own compliance processes.

The policy applies to all Cargolux Airlines employees and executives, employees of GSAs, Operational and Legal Representatives under contract.

The most senior level accountable for its implementation is the CEO of Cargolux Airlines. Through the onboarding process and the Compliance KYC and KYS processes, we operationalize key expectations from recognized third-party standards and industry initiatives. Our framework is periodically reviewed to reflect regulatory changes.

This policy was developed by the Compliance Department in close collaboration with the main stakeholders such as Procurement, Sales and Maintenance Departments.



Cargolux Italia has a Supplier Qualification Procedure (ICV-CMSP-009), which governs the end-to-end supplier onboarding process. As part of this process, Cargolux Italia involves Cargolux Airlines Compliance for the performance of KYS due diligence, which represents one component of the overall supplier qualification. The final assessment and onboarding decision remain under the responsibility of Cargolux Italia.

Sanctions, Export Control & Operational Restrictions Policy

The Sanctions, Export Controls and Operational Restrictions Policy outlines the company's commitment to comply with all applicable international trade laws, embargoes and sanctions by prohibiting the transport of restricted goods, rejecting any

shipment or transaction lacking mandatory licenses, and implementing comprehensive annual control mechanisms to detect and prevent violations. The policy establishes strict cargo screening requirements for sensitive items such as weapons, military or dual-use goods, mandates careful oversight of transactions and asset transfers linked to sanctioned countries or entities, regulates the handling and export of aeronautical spare parts and IT equipment, requires preapproval for financial operations involving high-risk jurisdictions, applies a risk based approach to aircraft deployment in embargoed regions, and ensures that all business partner certifications and end-user documentation are accurately completed and retained thereby reinforcing a culture of ethical conduct and regulatory compliance across the organization.

The policy applies to all employees and executives of Cargolux Airlines as well as those of Cargolux Italia. The most senior level accountable for its implementation is the CEO of Cargolux Airlines.

Through the implementation of this policy, the Airlines adhere to a range of international sanctions and export control regimes, including those issued by the Luxembourg government, the European Union, the United States, the United Kingdom and the United Nations, which form the primary external frameworks guiding the company's compliance obligations. The policy also aligns with legally binding instruments such as the EU Military List, the EU Dual-use Regulation, and relevant national licensing

requirements. It integrates procedures agreed with Luxembourg authorities for the oversight of sensitive and regulated goods. These external standards shape the company's controls, approvals and training requirements, ensuring that its operations meet internationally recognized compliance expectations.

Data Privacy & Protection Policy

Cargolux Airlines is committed to the protection of personal data of its employees, customers, business partners and all its other stakeholders. The development of the Data Protection Policy was primarily led by the Compliance Department, with a central role played by the Data Protection Unit within this department. This specialized unit ensured that the policy aligns with applicable data protection laws and regulatory requirements, while also reflecting industry best practices.

The aim of the policy is to make every employee aware about GDPR and help them to take appropriate action when handling personal data. It promotes adherence to internal rules and guidelines, while reinforcing that safeguarding privacy is a shared responsibility across the organization. The rules and guidelines resulting from the policy apply to all processing of personal data, automated or not (including paper files), performed by or on behalf of Cargolux Airlines in the framework of its activities.

The Policy applies to all Employees of Cargolux Airlines, based in EEA or abroad, involved directly or indirectly in activities concerning the processing of personal data or the management of information systems. Furthermore, the Policy applies to the personal data of contractors, partners, suppliers and consultants' employees.

The policy complies with GDPR and adopts these privacy standards for all activities worldwide. At Cargolux Airlines, most personal data processed is that of its employees. In the airline's Data Privacy & Protection Policy, the interests of key stakeholders, including users, employees, partners, and regulators, are carefully considered when defining privacy practices. The policy emphasizes protecting individuals' rights, ensuring transparency, and maintaining trust, while also balancing operational needs and legal obligations. By taking into account stakeholder expectations regarding data security, ethical handling of information, and compliance with applicable regulations, the policy aims to create a fair and responsible framework that safeguards personal data throughout its lifecycle.

Cargolux Italia has established its own dedicated Data Protection & Privacy Policy, outlining how personal data must be handled across the organization and aims to ensure full compliance with the GDPR, while promoting accountability and safeguarding the rights of individuals. It applies to all employees, executives and contractors of Cargolux Italia involved in the processing of personal data, including those assigned to the Korean branch and the Chinese representative office or any other local units. The policy sets out clear principles and requirements for data processing, including lawful and transparent use of data, data minimization, storage limitation and appropriate handling of sensitive information, as well as obligations related to data breach reporting and the protection of data subject rights.

Luxcargo Handling has established its own dedicated Data Protection & Privacy Policy, outlining how personal data must be handled across the organization and aims to ensure full compliance with the GDPR, while promoting accountability and safeguarding the rights of individuals. The Policy aims to raise awareness among all employees about GDPR requirements and to support them in handling personal data responsibly and appropriately. Safeguarding personal data is a shared responsibility, and everyone is expected to comply with the internal rules and guidelines established for this purpose. The principles set out in the Policy apply to all processing of personal data carried out by or on behalf of Luxcargo Handling in the course of its activities.

This Policy applies to all Luxcargo Handling employees who are directly or indirectly involved in personal data processing or information system management. It also extends to personal data relating to contractors, partners, suppliers, and consultants' employees. The Policy establishes clear principles and requirements governing data processing, including lawful, fair, and transparent use of personal data, data minimization, storage limitation, and the careful handling of sensitive information. It further outlines obligations related to data breach reporting and the protection of data subjects' rights. For any questions, employees are encouraged to contact the Data Protection Unit of Luxcargo Handling.



Documentary Governance Policy

The Documentary Governance Policy establishes the framework for how Cargolux Airlines designs, manages, and governs its internal rules, ensuring a consistent and structured approach across the organization. It outlines key elements such as the purpose of the policy, as well as clear definitions for terms including “internal rules,” “specialist document and policy control function,” and the role of the “owner” responsible for the creation, implementation, and oversight of each rule. The policy emphasizes general principles such as clarity, precision, consistency, regular review, compliance, proper documentation, accessibility, and effective training and communication, while also incorporating feedback mechanisms and alignment with business needs. In addition, it defines the types and hierarchy of internal rules, the processes for their adoption and modification, and standards for their management, including templates and naming conventions.

The policy applies broadly to all employees and executives of Cargolux Airlines as well as to third-party representatives and agents acting on behalf of the company.

Accountability for its implementation rests at the highest level, with the CEO of Cargolux Airlines ultimately responsible. Rather than being driven by external standards, the policy reflects an internally developed governance framework that guides how Cargolux establishes and maintains its own rules, policies, and procedures.

It was developed by the Compliance and Ethics department in response to a need to strengthen internal governance, with contributions from all departments and the Executive Committee, ensuring that the interests and perspectives of key stakeholders are incorporated into its design and application.



CORPORATE REPORTING AND WHISTLEBLOWING PROCESSES

Cargolux Airlines maintains a zero-tolerance approach to any form of misconduct, including bribery, corruption, fraud, conflicts of interest, harassment, retaliation, or other violations of the Anti-Bribery & Corruption Policy and applicable laws. Any potential violation (whether of the Anti-Bribery & Corruption Policy, the Code of Conduct, other internal rules, or external regulatory requirements), as well as any incident of corruption and/or bribery results in an internal investigation.

Identifying unlawful behavior

Cargolux Airlines' Compliance Department conducts monitoring activities to identify unlawful behavior. These are also performed on Cargolux Italia processes to a limited extent and are always subject to their own Supervisory Body (OdV). Ongoing monitoring activities include monthly controls across risk-sensitive areas, including invoices, travelers on board of Cargolux Airlines and Cargolux Italia flights, the Gifts & Entertainment Register, etc. This acts as an early warning mechanism and allows the Compliance Department to detect and address issues before they escalate. Cargolux Airlines employees and external parties are also encouraged to proactively consult Compliance for any questions

or potential issues through the Consultation Desk. When it comes to identifying and detecting concerns at operational level, employees receive training on business conduct matters and are reminded regularly to recognize indicators of misconduct, which included unusual financial transactions, pressure to bypass procedures, suspicious third-party behavior, or unethical decision making.

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At **Luxcargo Handling**, the identification of unlawful behavior primarily relies on employees or agents reporting concerns using defined channels, including SpeakUP and may consult designated internal contacts (HR, quality manager, independent administrators).



Reporting unlawful behavior

Employees, agents and external stakeholders across Cargolux Airlines, Cargolux Italia and Luxcargo Handling have access to multiple reporting channels to raise concerns regarding unlawful behavior or breaches of internal policies. Individuals may report concerns through internal channels, through independent third-party platforms, or via external authorities as permitted by applicable law.

For Cargolux Airlines and Cargolux Italia, reporting can be made through line management, dedicated internal functions: such as Compliance, Human Resources or Security (including the Compliance Consultation Desk for Cargolux Airlines). As well as an independent third party reporting platform (SpeakUp), which enables confidential and where permitted, anonymous reporting.

For Luxcargo Handling, reporting may be made through internal channels such as management, ExCom, Human Resources, Health & Safety, as well as through the SpeakUp platforms with designated independent administrators, who are responsible for receiving reports, ensuring confidentiality, preventing retaliation, coordinating communication and the 'investigation team' appointed by the CEO.

Across all three entities, safety-related concerns may be reported through Safety Management Systems (SMS) where applicable, and external reporting to competent authorities remains available in accordance with applicable laws. All reporting channels are designed to ensure confidentiality, protect the identity of the reporter, and prevent retaliation, thereby supporting a secure and trusted environment for raising concerns.

These reporting channels are established in the Corporate Reporting and Whistleblower Protection Policies of each entity. At Cargolux Airlines and Cargolux Italia reporting procedures are communicated to all employees through a dedicated e-learning module, with additional workshops for "employees with people responsibilities" (e.g. managers) on their responsibilities when receiving concerns and preventing retaliation. For Cargolux Italia and Luxcargo Handling the reporting procedures are communicated through a dedicated internal communication channel.



Investigating unlawful behavior

All reports, whether detected through monitoring, raised internally or submitted via Speak Up, are investigated promptly, independently and objectively. In accordance with legal requirements, every report is acknowledged within seven days and is accessible to a limited number of designated individuals involved in the investigation process, such as members of the Compliance function for the Airlines, or designated independent administrators for Luxcargo Handling.

Investigations follow a fact-based, evidence driven methodology, which includes securing and reviewing relevant records, data and communications, interviewing involved parties and witnesses, analyzing transactional patterns or behaviors, and documenting all steps in a consistent and controlled manner. The CEO of the respective entity is informed immediately of any new report and appoints an investigation team when required as per the policy. If the CEO were to be implicated, the matter is escalated to the relevant governance bodies in line with each entity's framework. In line with the law and EU Whistleblower Directive, investigations are completed within a maximum of three months, and appropriate remediation measures are taken if necessary.



Cargolux Italia: In accordance with Italian Legislative Decree 231/2001, Cargolux Italia has established its own Supervisory Body “*Organismo di Vigilanza*” (OdV). The OdV is an independent and autonomous body responsible for overseeing the functioning, effectiveness, and compliance of the company's Organizational, Management and Control Model (MOG 231). In particular, it monitors the adequacy of the control system, promotes its continuous update, and ensures that any potential violations are properly assessed and addressed. The OdV is granted autonomous powers of initiative and control and regularly reports to the company's top management.

Whistleblower protection safeguards

The Corporate Reporting and Whistleblower Protection Policies set out the safeguards for all reports made in good faith and provided strong protection against retaliation in line with the EU Directives 2019/1937 legal requirements and applicable laws that the entities are subject to.

For the Airlines, employees are informed of whistleblowing procedures and protection through a dedicated e-learning, which explains what can be reported, the available reporting systems and the legal protection of whistleblowers against retaliation. Managers and employees with people responsibilities complete an additional workshop on identifying and preventing retaliation behavior and managing concerns appropriately. At this stage, Luxcargo Handling does not provide training to its workers on details about the designation and training of staff responsible for receiving reports.

Across all entities, whistleblowers are protected provided that reports are made in good faith and on the basis of a reasonable belief of wrongdoing. Annexes in the respective policies details the behaviors considered retaliatory, including threats or attempts to apply the following actions: suspension, lay-off, dismissal or equivalent, demotion or withholding of promotion, transfer of duties, change of location of place of work, reduction in wages, change in working hours, withholding of training, a negative performance

assessment or employment reference, coercion, intimidation, harassment or ostracism, discrimination, disadvantageous or unfair treatment, etc.

During an investigation, the investigation team can ask for further clarifications through the third party platform, SpeakUp while maintaining anonymity. If continuing the investigation risks revealing the reporter's identity or exposing them to harm, the case is escalated to the CEO with recommended actions for protective action.

To ensure the integrity of the process the same protective measures extend to the investigation team and any employees involved in the investigation. If any act or suspicion of retaliation arises, the responsible department must demonstrate that the action cannot be interpreted as retaliatory, and the reporter has the right to request an impartial investigation - the conclusions and recommendations of which are submitted to the CEO.



COMMITMENT TO ANIMAL WELFARE IN AIR CARGO TRANSPORT

Cargolux Airlines, Cargolux Italia and Luxcargo Handling follow internal processes to ensure the highest standards are followed across all activities involving the handling and transport of live animals. Building on its long-standing expertise in specialized animal transport, Cargolux Airlines is in the process of formalizing a dedicated Animal Welfare policy to reinforce its operational commitment and ethical standards. In practice, Cargolux Airlines and Cargolux Italia adhere strictly to the IATA Live Animals Regulations (LAR), which govern all aspects of animal transport, including crate requirements, documentation, handling procedures and species-specific care guidelines. Cargolux also fully complies with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and applicable EU and national veterinary regulations. Operational procedures reflect industry best practices and include:



ATA

Animal Transportation Association



IATA LAPB

Live Animal and Perishables Board



IPATA

International Pet and
Animal Transportation Association

Governance and approvals

Transport of live animals is subject to formal regulatory oversight, the airline holds the necessary Civil Aviation Authority (CAA) approvals to transport live animals and utilizes Cargolux Airlines and Cargolux Italia approved animal containers, as defined within the Cargolux Airlines/Cargolux Italia Ground Operations Manual (GOM). Cargolux Airlines, Cargolux Italia and Luxcargo Handling the GOM which serves as a critical guide for the transport and handling of animals at airports, outlining procedures, policies and safety measures to ensure that ground operations are performed safely, efficiently and in compliance with aviation regulations. Quality and compliance monitoring, audits, self-inspections and Corrective and Preventative Actions (CAPA) ensure continuous improvement of welfare standards across the network. Animals are only accepted when their health, condition and documentation meet all regulatory and welfare requirements.

Specialized infrastructure

Luxembourg Airport, Cargolux Airlines' home base, operates an EU-certified veterinary station and dedicated live animal facility, capable of accommodating up to 49 horses simultaneously. This facility is managed by Luxcargo Handling and features temperature-controlled stables, noise-protected areas and accommodation for attendants and grooms supporting species appropriate welfare during ground time.

Trained personnel

All staff involved in the acceptance, handling, loading and monitoring of live animals receive mandatory, recurrent training in accordance with IATA LAR standards and Ground Operations Manual. Training includes animal behavior, stress minimization, species-specific requirements, emergency procedures and required documentation.

Customized transport conditions

The Airlines' operational practices reflect stringent welfare safeguards and follow species specific guidelines from the GOM. Safeguards include Environment Control Systems (ECS) on aircraft must be set to species specific temperatures and remain active during all handling phases. Ramp transfers and storage areas must protect animals from direct sunlight, extreme temperatures, drafts, noise, vibration and fumes. Dedicated ULDs (e.g. HMC stalls for horses) are used with required bedding ventilation and secure restraint. Animal shipments are separated from cargo types that may pose safety, welfare or contamination risks. Shipments that require in-flight care (e.g. horses) are accompanied by qualified animal attendants or grooms, who receive aircraft safety and animal handling briefing.



Embargoes and restrictions

The Airlines enforce strict embargoes on the transport of certain species, including endangered wildlife not covered by valid CITES documentation, and animals intended for purposes that conflict with ethical or conservation principles. These embargoes are regularly reviewed and updated in line with international conservation efforts. Cargolux Airlines is also signatory to the United Wildlife Transport Taskforce Declaration, affirming its commitment to preventing illegal wildlife trafficking and upholding ethical standards in the transport of wildlife.

G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Cargolux Airlines ensures ethical alignment across its global supply chain through comprehensive due diligence and monitoring mechanisms defined in its Know Your Supplier (KYS) and Know Your Customer (KYC) Policies, updated in February 2025. These policies ensure ethical alignment across Cargolux Airlines global supply chain and support the identification, assessment and mitigation of risks relating to integrity, compliance and sustainability. Under this framework, suppliers subject to due diligence requirements must complete the Cargolux Compliance KYS Questionnaire. This questionnaire includes two annexes addressing compliance with labor law requirements (mandatory for EU-based suppliers) and sustainability-related criteria, assessed by the Sustainability Department. Sustainability criteria are embedded through

the sourcing cycle. These include early sustainability review during procurement planning, the application of a minimum 10% sustainability weighting in major and specified categories, and the inclusion of contractual sustainability clauses supported by supplier KPIs. Tender specifications also apply performance based sustainability requirements and may refer to recognized eco labels and ISO standards.

The Compliance Department reviews each questionnaire and evaluates risks associated with the prospective suppliers, including integrity and ethical track records, compliance with laws and standards, exposure to corruption or bribery risks, potential impacts on social and environmental sustainability matters. Where risks are identified, the Compliance team proposes remediation measures and provides a formal recommendation on whether the business relationship should proceed. The employee in charge of a relationship with a supplier must promptly inform Compliance of any tender process or engagement with a new supplier subject to due diligence as per the policy. Through this process, Cargolux Airlines ensures that supplier relationships are evaluated responsibly and that supply chain risks with potential sustainability impacts are identified and managed before entering or continuing a commercial relationship.



Cargolux Italia: As stated under the KYS policy section under G1-1, Cargolux Italia has a Supplier Qualification Procedure (ICV-CMSP-009), which governs the end-to-end supplier onboarding process. This procedure defines roles, responsibilities and controls, including document collection, regulatory and operational assessments and internal approvals. As part of this process, Cargolux Italia involves Cargolux Airlines Compliance for the performance of KYS due diligence, which represents one component of the overall supplier qualification. The final assessment and onboarding decision remain under the responsibility of Cargolux Italia. However, when the contract to be entered into with a supplier has a value below EUR 50,000 per year, Cargolux Italia may follow its own Procurement procedures. As outlined in the General Principles of its Procurement Policy, the Process Owner may also consider as qualifying elements: suppliers having signed the UN Global Compact or similar initiatives; suppliers holding sustainability certifications; suppliers which adopted environmental management systems; and lastly, suppliers that can provide a recent Ecovadis report or similar Corporate Social Responsibility (CSR) documentation.

Luxcargo Handling does not have a formal KYS policy and manages its supplier relationships through a proportionate approach that reflects its operational context and exposure. LCH views its relationships with suppliers as a critical component of overall business success, recognizing that a strong, transparent and ethical supplier network is essential not only to operational efficiency but also to the ability to mitigate risks, ensure compliance and promote sustainability across our value chain. LCH prioritizes suppliers who align with their commitment to ethical practices, transparency and sustainability. For significant suppliers, LCH conducts due diligence reviews assessing financial stability, operational risks and compliance with legal and ethical expectations. This process includes a review of publicly available information regarding labor-law compliance, human rights practices and any sustainability related actions or commitments.

G1-3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Cargolux Airlines applies a zero-tolerance stance for corruption, bribery and anti-competitive behavior. All internal and external stakeholders of both airlines are subjected to the Anti-Bribery, Corruption and Gifts & Entertainment Policy which strictly prohibits improper conduct in any form. The policies are published internally on the Compliance intranet page and are made available to employees and agents of both airlines. Any updates to the policy are internally communicated via e-mail to employees and agents for their review of the revised document. A structured process to prevent, detect and address corruption and bribery is followed.



PROCESSES TO PREVENT, DETECT AND ADDRESS CORRUPTION AND BRIBERY

Prevention and Training

To safeguard the company against any adverse consequences of non-compliance with anti-corruption and bribery laws, Cargolux prioritizes strong and continuous awareness raising measures. The Compliance department delivers tailored Anti-Bribery and Corruption trainings to equip all employees and agents of Cargolux Airlines and Cargolux Italia regardless of their level of exposure to risk, with the knowledge and skills to identify,

prevent, detect and report instances of corruption or bribery. Individuals are enrolled in either Basic or Advanced training, depending on their position with the company and the extent to which they are subject to potentially breaching this law.

The Basic program consists of a recurrent e-learning course followed by a quiz, while the Advance program, includes the same e-learning content and quiz, supplemented by an online workshop for new joiners. The training is based on the Anti-Bribery, Corruption, Gifts & Entertainment Policy and covers key definitions, principles, red flags, Gifts & Entertainment rules, procedures, applicable laws and regulations, and real-life case studies to help employees recognize and appropriately respond to risk situations. The participants are instructed to recognize the warning signs of corruption, make ethical decisions and effectively navigate situations that may pose ethical dilemmas.

Members of the administrative, supervisory and management bodies also receive regular training with the CEO displaying outstanding knowledge in this area, and all ExCom members participate in ongoing Anti-Bribery and Corruption trainings. In 2025, 100% of the functions at risk of Cargolux Airlines were covered by the training programs; figure excluding AFF, Cargolux Italia and Luxcargo Handling due to availability of data or maturity on policy and training procedure implementation. By fostering a culture of integrity and accountability, these trainings not only mitigate the risk

of corruption within our organization but also uphold our commitment to ethical business practices and responsible corporate citizenship.

The training materials are regularly reviewed to ensure accuracy and relevance. Every three years the content is formally updated to incorporate new scenarios or regulatory changes, triggering a companywide training campaign. As part of this, employees following the advanced program are invited to a webinar led by a Compliance Officer, providing deeper insight and opportunities for questions. To further strengthen awareness, Cargolux Airlines also publishes a Compliance newsletter every six months, featuring articles on various compliance topics, including bribery and corruption.



At the reporting date (FY2025), AFF did not yet have a standalone Anti-Bribery and Anti-Corruption policy in place. During 2025, work was underway to establish relevant policies as part of the entity's compliance framework. Accordingly, employees were not provided with anti-bribery and anti-corruption training during FY2025. A formal training program will be introduced upon adoption of the policy.



Luxcargo Handling applies preventative measures proportionate to its size and operational exposure. At this stage, LCH does not operate a formal Anti-Bribery and Corruption training program, resulting in 0% training coverage of functions at risk in 2025. Nevertheless, LCH has identified employees working in Procurement, Finance & Accounting, Human Resources and Customs as being most at risk in respect of corruption and bribery. The CFO has received training from the parent company, Cargolux Airlines, its CEO, has extensive knowledge on this topic, both continuously reinforce the principles of Luxembourg anti-corruption law to employees and ExCom members involved in financial transactions or business partner interactions. This informal reinforcement helps maintain awareness in the absence of a structured program.

Detection and Reporting

To detect and address risks, Cargolux Airlines and Cargolux Italia review contracts and due diligence assessments of business partners under the Cargolux Compliance KYS process. Cargolux Airlines also performs ongoing monitoring of invoices, expense reports which include entries in the Gifts & Entertainment Register and travelers on board of both airlines' flights, and conducts both planned and unplanned visits and calls with station managers across Cargolux's operating network. Employees are encouraged to raise concerns or seek advice through the Compliance consultation desk. Additionally, a third-party reporting channel, 'Speak Up' is also made available to Cargolux Airlines and its subsidiaries to ensure safe, confidential and accessible reporting of concerns.



Luxcargo Handling operates parallel detection controls, conducts thorough due diligence checks when engaging with significant third parties (including vendors, contractors and business partners) to ensure alignment with The Group's ethical standards. These assessments review the counterparty's integrity, reputation and any indicators of exposure to corruption or bribery risks. LCH also maintains internal financial controls, including the review and auditing of financial transactions, oversight of procurement processes and measures to ensure transparency in decision making. To report incidents, LCH employees also have access to The Group's external whistleblowing channel, Speak Up.



Investigation and Resolution Procedures

Speak Up reports trigger independent investigations led by the Compliance and HR teams. Confidentiality and non-retaliation policies are strictly enforced. Findings are always escalated to the CEO of Cargolux Airlines. If during an investigation, the investigating team comes to the understanding that by going ahead on the investigation, the identity of the reporter would be revealed (in those cases in which the reporter has decided to remain anonymous) and/or the reporter may be subject to retaliation and/or other negative consequences, the investigating team would refer the case to the CEO with a proposal of action, with the intention to reduce any negative consequence which the reporter could suffer. The investigating team diligent activities will include obtaining detailed input from available evidence (documents, statistics...) and/or individuals, while always ensuring the protection of the reporter. The investigating team will maintain the CEO and the reporter informed on the progress of the investigation.

At the conclusion of the investigation, a final report including all relevant findings and proposed actions is submitted to the CEO. Based on this report, the CEO determines disciplinary measures in accordance with the Disciplinary Policy of each entity and decides whether the matter should be escalated to the Board of Directors or its audit committee. This structured process ensures a formal and transparent way for reporting outcomes to its administrative management and supervisory bodies.

At this stage, no additional new actions are planned for Cargolux Airlines or Cargolux Italia, as current processes are assessed to be operating at a high level of maturity. The airline remains committed to continuous improvement and will adjust its approach should emerging risks or regulatory developments indicate the need for further enhancements.

METRICS AND TARGETS

The metrics disclosed under ESRS G1 – Business Conduct are not validated by an external body other than the sustainability assurance provider.

G1-4 CONFIRMED INCIDENTS OF CORRUPTION AND BRIBERY

In 2025, the Cargolux Group recorded zero confirmed incidents of corruption or bribery and received zero convictions or fines related to violations of anti-corruption or anti-bribery laws - consequently, no disciplinary actions were taken.

G1-6 PAYMENT PRACTICES

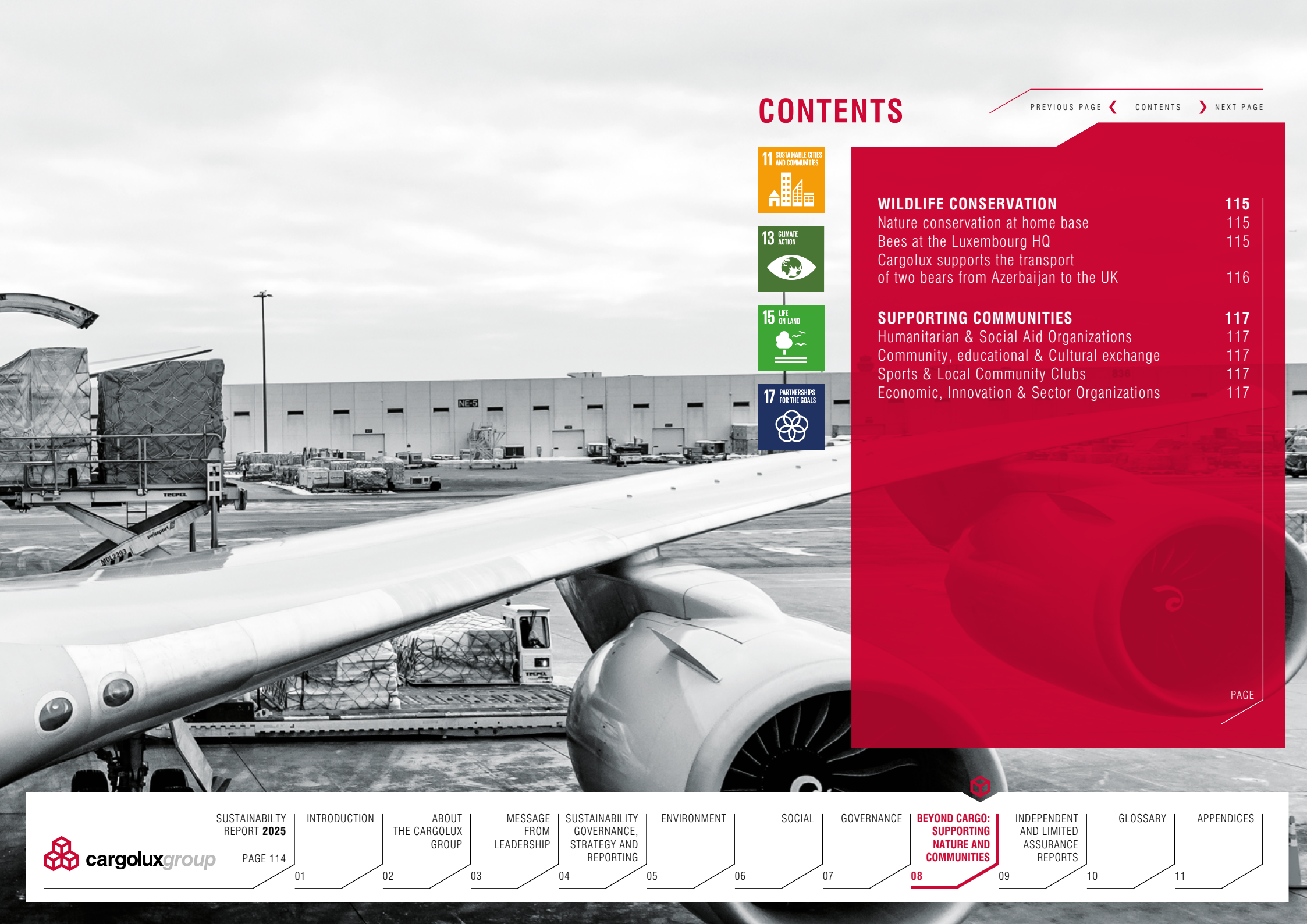
The Cargolux Group does not apply harmonized internal standard payment terms, instead payment timelines are determined exclusively by the contractual

or purchase order conditions agreed individually with each supplier. Payment due dates therefore vary depending on the nature of the goods or services procured and the specific contractual framework. In 2025, 70% of all Cargolux Airlines' payments were executed in alignment with the contractual terms originally agreed with business partners - 85% for LCH, 60% for Cargolux Italia, 30% for AFF. The Cargolux Group has no outstanding legal proceedings related to late payments during the reporting period. All Cargolux Airlines, Cargolux Italia, AFF and LCH invoices are processed in accordance with the internal Payment policy and/or processes, which defines the required documentation, approval workflows and financial control mechanisms to ensure payments are executed only after appropriate validation and strictly in line with the agreed contractual terms.



CHAPTER
8

**BEYOND CARGO:
SUPPORTING
NATURE AND
COMMUNITIES**



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Cargolux's role in the global logistics chain extends beyond commercial cargo. As part of its broader sustainability and corporate responsibility strategy, the airline draws on its longstanding expertise in the safe and ethical transport of animals. This expertise enables Cargolux to support wildlife conservation efforts, including the transport of rescue animals to protected environments and sanctuaries.

These missions build on the airline's extensive operational know-how and reflect its commitment to biodiversity, animal welfare, and environmental stewardship. Cargolux leverages its expertise to support these complex operations which require planning, specialized equipment, and transparent collaboration with both internal and external stakeholders. The Cargolux teams work closely with veterinarians, conservationists, and wildlife experts to design tailored transport solutions for each of these missions. From temperature-controlled environments to noise-reduction protocols and dedicated handling procedures, every aspect of the journey is meticulously managed to ensure the animals' safety and comfort are upheld throughout the journey.

NATURE CONSERVATION
AT HOME BASE

Cargolux is a long-standing partner of Luxembourg's Fondation Hellef fir d'Natur (Help For Nature Foundation) one of country's best-known nature conservation charities. The airline provides financial support for environmental conservation and restoration programs that help preserve local species and their habitats.

The current donation plan has been signed up to 2027 to support the Haangebiërg nature reserve and its ecosystems in the Moselle area; converting abandoned viticulture areas into more biodiverse habitats.

Within the framework of the LIFE Orchis and LIFE Bats&Birds projects, large areas were cleared of scrub and fenced, allowing the area to be extensively grazed by goats. These new open-land biotopes (dry grasslands) have proved successful with the gradual return of orchid species such as the bumblebee orchid and the late spider orchid. In 2025, in addition to maintaining the open-land habitats (dry grasslands) through extensive grazing, attention was also focused on preserving and restoring the dry stone walls.

In December 2025, a team of Cargolux volunteers partnered with Hellef fir d'Natur to plant over 300 new trees to replace the spruce trees affected by the bark beetle. As well as improving natural regeneration, the trees planted were diverse and resistant to climate change (oak, lime, wild fruit trees, etc.). This initiative not only helps to build a more resilient environment, but also nurture community wellbeing.



BEES AT
THE LUXEMBOURG HQ

In collaboration with Lux-Airport, Cargolux installed ten beehives on the grounds of its headquarters that are managed by reputable beekeepers. This project is designed both to support biodiversity and to enhance the ecological balance in the vicinity of the airport. The bees play a crucial role in pollinating the surrounding flora thus contributing to the health and sustainability of the local ecosystem.

In addition to their environmental benefit, the beehives serve as the basis for a comprehensive bio-monitoring study. Pollen transported by the bees is collected using a trap placed at the entrance of the hive and is analyzed annually. The results of these analyses provide valuable insight into plant species present in the area and help identify any high levels of pesticide or other pollutants. The findings are highly satisfactory, indicating that the area maintains a relatively clean and healthy environment.



CARGOLUX SUPPORTS THE TRANSPORT OF TWO BEARS FROM AZERBAIJAN TO THE UK

Cargolux teamed up with the Wildheart Animal Sanctuary, a UK-based charity, to fly 2 rescue bears from Azerbaijan to the UK. The free of charge flight in June 2025 brought Benji and Balu one step closer to their new home, the Wildheart Animal Sanctuary on the Isle of Wight.

Ahead of the animal's journey, Cargolux transported their customized transport crates from Luxembourg to Azerbaijan so they can fly in the best possible conditions. Following the flight, the bears were taken through the UK overland before being ferried across the Solent to the Isle of Wight.

As a proud supporter of animal welfare, Cargolux is pleased to be able to leverage its expertise in animal transport for such noble causes. Before their rescue, the pair were kept in concrete enclosures outside a restaurant with no hibernation space or proper diet. Animal rescue missions are sensitive, logistically complex undertakings and Cargolux is proud to have contributed to this remarkable cause. All the teams involved, internally and externally, have shown true dedication to making this happen.



SUPPORTING COMMUNITIES

Cargolux provides donations and in-kind support (free transport of goods) that generate social, environmental, cultural, and economic value across multiple stakeholder groups outside of the value chain. These include beneficial impacts to sectors such as:

HUMANITARIAN & SOCIAL AID ORGANIZATIONS

The company's donations to humanitarian and social aid organizations provide direct and immediate support to vulnerable populations by funding essential services such as healthcare, food distribution, shelter, and social assistance. These contributions help reduce inequality and alleviate hardship for individuals facing poverty, disability, or crisis situations. By supporting both international actors like UNHCR and local charities, the company contributes to crisis response capabilities as well as long-term care and inclusion.

COMMUNITY, EDUCATIONAL & CULTURAL EXCHANGE

Cargolux provides funding for cultural, educational, and community-oriented organizations which fosters social inclusion, intercultural dialogue, and the development of knowledge and skills. In addition to financial donations, the company provided free-of-charge flights throughout 2025 for displays at the Museum of Modern Art, the Film Fund and Bazar International, generating significant public value. These contributions promote cultural expression, youth engagement and enhances community wellbeing for the development of society.

SPORTS & LOCAL COMMUNITY CLUBS

Cargolux donates to sports clubs and local associations to promote physical activity, health, and community engagement, particularly among young people. These contributions help maintain accessible sports programs and provide health benefits in the community.

ECONOMIC, INNOVATION & SECTOR ORGANIZATIONS

Cargolux also supports sectoral, innovation, and sustainability-focused organizations to contribute to the development of resilient and forward-looking economic ecosystems. These donations facilitate knowledge-sharing, industry collaboration, and the advancement of strategic sectors such as logistics, cybersecurity, and sustainable business practices.



CHAPTER 9

INDEPENDENT AND LIMITED ASSURANCE REPORTS







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ASSURANCE STATEMENT

Context

NORMEC VERIFAVIA has been engaged by CARGOLUX AIRLINES to perform an independent verification of carbon inventory data with reasonable assurance for Scope 1 & 2, and limited assurance on Scope 3 emissions for monitoring period 2025 (1st January 2025 – 31st December 2025) as presented in the CARGOLUX AIRLINES' Carbon Footprint report. Scope 2 emissions were calculated using location and market-based emission factors. Scope 3 emissions consist of categories 1, 2, 3, 4, 5, 6, 7, 8, and 15 as per the Greenhouse Gas Protocol – "A Corporate Accounting and Reporting Standard" (Revised Edition).

A summary of the emissions data reported by Cargolux Airlines is given in the table below:

Environmental Footprint				
Source	Unit	Emissions	% scope	% total value chain (location based)
Scope 1				
Mobile sources- AC	ICO ₂ e	4,567,611	100	80.07
Mobile Sources- Others	ICO ₂ e	4,563,781.09	99.92	80.00
Stationary sources	ICO ₂ e	1,693.25	0.0371	0.030
Fugitive emissions	ICO ₂ e	2,103.60	0.0461	0.0369
Scope 2				
Location-based emissions	ICO ₂ e	4,563		0.08
Market-based emissions	ICO ₂ e	1,786		0.03
Scope 3				
Purchased goods and services	ICO ₂ e	1,132,635	100	19.85
Capital goods	ICO ₂ e	80,513	7.11	1.41
Fuel and energy-related activities	ICO ₂ e	16,431	1.45	0.29
Upstream transportation & distribution	ICO ₂ e	967,214.05	85.40	16.95
Waste generated	ICO ₂ e	43,641.88	3.85	0.77
Business travel	ICO ₂ e	11.13	0.00	0.0002
Employee commuting	ICO ₂ e	19,177.39	1.69	0.34
Upstream leased assets	ICO ₂ e	5,121	0.45	0.09
Investments	ICO ₂ e	525	0.05	0.01
	ICO ₂ e	0.13	0.00	0.00
Total Scope 1, 2, 3 emissions- Location-based (tCO₂e)				5,704,809
Total Scope 1, 2, 3 emissions- Market-based (tCO₂e)				5,702,032
Biogenic emissions (Out of scope emissions) (tCO₂e)				76,429.08

The sub-categories (1, 2, 7, 8 and 15) for Scope 3 emissions are based on values calculated in the 2023 carbon footprint. To avoid gaps in the current year's carbon footprint, these values have been considered for 2025 reporting. This approach was deemed appropriate as no significant changes have been identified for the current year that would materially impact these categories. Therefore, it is assumed that the impact on Scope 3 emissions remains consistent and not significantly altered.

Any other information in the CARGOLUX AIRLINES' Carbon Footprint report is not subject to our assurance engagement, and we do not report and do not opine on that information. The Environmental Management Team of CARGOLUX AIRLINES is responsible for the preparation and presentation of CARGOLUX AIRLINES' Carbon Footprint report, including the reported annual environmental data and information presented therein.

We are responsible for providing an Assurance Statement on the reported annual environmental data presented in the table above. NORMEC VERIFAVIA disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement.

Criteria

The framework used by CARGOLUX AIRLINES to report the carbon inventory is the Greenhouse Gas Protocol – "A Corporate Accounting and Reporting Standard" (Revised Edition).

The authenticity of this file is protected by Keeex blockchain mechanism. The file can be verified at <https://services.keexx.me/verify/> or <https://www.verifavia.com/KeeexX>. It was signed by 1fMg7wueh9h24y07ARXZ20Mh0eKZ1F. Unique identifier: xed61-zuciv-pazyh-zasyv-1ig0s-guniz-kitep-sulig-nesoh-giust-pybov-kohed-nuvan-budeg-tyfub-konyx-zoox



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We conducted the independent audit based on the following verification criteria:

- ISO/IEC 17029:2019 - Conformity assessment - General principles and requirements for validation and verification bodies.
- ISO 14064-3:2019 – Greenhouse Gases – Specification with guidance for the validation and verification of greenhouse gas emissions and removals.
- ISO 14065:2020 - General principles and requirements for bodies validating and verifying environmental information.
- The GHG Protocol (Revised Edition) - Corporate Accounting and Reporting Standard.

Responsibilities

CARGOLUX AIRLINES is solely responsible for the preparation and reporting of its carbon inventory data, for any information and assessments that support the reported data, for determining the group's objectives concerning carbon information and management, and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

In accordance with the verification contract, it is our responsibility to form an independent opinion, based on the examination of information and data presented in the Carbon Footprint report, and to report that opinion to CARGOLUX AIRLINES. We also report if, in our opinion:

- the carbon inventory data is or may be associated with misstatements (omissions, misrepresentations, or errors), non-conformities; or
- the verification team/verifier has not received all the information and explanations that it requires to conduct its examination; or
- improvements can be made to the group's performance in monitoring and reporting carbon inventory data.

Independence statement

We confirm that NORMEC VERIFAVIA and the verification team are independent of CARGOLUX AIRLINES and have not assisted in any way with the development of the carbon inventory or in the preparation of any text or data provided in the Carbon Footprint report, except for this Assurance Statement.

Work performed & basis of the opinion

We conducted our examination having regard to the verification criteria documents listed above. This involved a virtual site visit on the 18th March 2026, to interview the staff responsible to gain reasonable assurances that the amounts and disclosures relating to the data have been properly prepared in accordance with the requirements of the Greenhouse Gas Protocol in terms of relevance, completeness, consistency, transparency, and accuracy. This also involved assessing where necessary estimates and judgements made by CARGOLUX AIRLINES in preparing the data and considering the overall adequacy of the presentation of the data in the Carbon Footprint report.

Materiality threshold

For the purpose of this audit, a materiality threshold of 5% was determined as GHG quantification has inherent uncertainties due to measurement instrumentation capabilities, testing methodologies, and incomplete scientific knowledge used in determining emissions factors and global warming potentials.

Opinion

NORMEC VERIFAVIA conducted the verification of the carbon inventory data reported by CARGOLUX AIRLINES in its Carbon Footprint report and presented above. Based on the verification work undertaken and a virtual-site visit (dated 18.03.2026), interviews and walkthrough of the data, and assessment of technical assumptions and judgments to gain reasonable assurance for Scope 1 & 2 and limited assurance for Scope 3 that the data is fairly stated and contains no material misstatements or material non-conformities.

Courbevoie, 1st April 2026



Patricia PINILLA
Sustainability Initiatives Director
NORMEC VERIFAVIA



Vivek KUSHWAHA
Lead Auditor
NORMEC VERIFAVIA

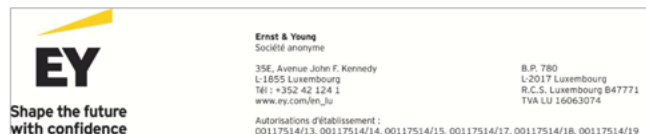


Ritul PRASOON
Auditor
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Amina SHANGERIEVEYA
Independent Technical Reviewer
NORMEC VERIFAVIA

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Independent practitioner's assurance report

Cargolux Airlines International, S.A.
Att: The Management
Aéroport de Luxembourg
L-2990 Sandweiler
Grand Duchy of Luxembourg

Scope

We have been engaged by the Management of Cargolux Airlines International S.A. (the "Company") to perform a "limited assurance engagement," as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the Company's Sustainability Information (the "Subject Matter") based on European Sustainability Reporting Standards contained in the Company's Annual Sustainability Report for the year ended December 31, 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

The information presented in Section 8 is not part of the Subject Matter and was not subject to our assurance procedures. Accordingly, we do not express a conclusion on that information.

Criteria applied by Cargolux Airlines International S.A.

In preparing the Annual Sustainability Report, the Company applied the European Sustainability Reporting Standards (ESRS) (the "Criteria"), as adopted and published by the European Commission (EC) and compliant with the double materiality assessment process carried out by the Company to identify the information reported pursuant to the ESRS (Criteria). As a result, the subject matter information may not be suitable for another purpose.

Cargolux Airlines International S.A.'s management responsibilities

The company's management is responsible for selecting the Criteria, and for presenting the subject matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

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Responsibilities of the Réviseur d'Entreprises Agréé

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)") established by the International Auditing and Assurance standards Board ("IAASB") as adopted for Luxembourg by the Institut des Réviseurs d'Entreprises ("IRE"), and the terms of reference for this engagement as agreed with the Company on 24 February 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF) and have the required competencies and experience to conduct this assurance review.

Our firm also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

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Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducting interviews with personnel to understand the business and the overall reporting process;
- Conducting interviews with key personnel to understand the process for collecting, processing, collating and reporting the Subject Matter during the reporting period;
- Checking that the calculation criteria have been correctly applied in accordance with the Criteria
- Undertaking analytical procedures of the data and making inquiries of data owners to obtain explanations for any significant differences we identified;
- Identifying and testing significant assumptions supporting calculations;
- Tracing data, on a sample basis, to underlying source information.

We also performed such other procedures as we considered necessary in the circumstances. Our conclusion on the Subject Matter is for the period described only and do not cover comparative prior year information.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended December 31, 2025, has not been prepared, in all material respects in accordance with the Criteria.

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Restricted use

This report is intended solely for the information and use of the Company and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Yves Even

Luxembourg, 21 July 2026

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CHAPTER 10

GLOSSARY



A

AA1000SES (2015)

Stakeholder Engagement Standard to ensure inclusivity and transparency.

ANA

Administration de la Navigation Aérienne (Air Navigation Administration)

AOG

Aircraft on Ground

APU

Auxiliary Power Unit

AFF

Aquarius Aerial Firefighting

B

Biogenic Emissions

Emissions of greenhouse gases (GHGs) that result from biologically based materials

C

CAA

Civil Aviation Authority

CBA

Collective bargaining agreement

CH₄

Methane

Circular Economy

An economic model focused on resource efficiency, waste reduction, and recycling to keep materials in use for as long as possible.

CITES

Convention on International Trade in Endangered Species of Wild Fauna and Flora

CO₂e

Carbon Dioxide Equivalent

CORSIA

Carbon Offsetting and Reduction Scheme for International Aviation

Crew

Pilots required for the operation of a flights plus Loadmasters and Flight Mechanics

D

CSO

Chief Sustainability Officer

CSRD

Corporate Sustainability Reporting Directive

CWA

Collective Work Agreement

DEFRA

UK Department for Environment, Food & Rural Affairs

DEI

Diversity Equity and Inclusion

DMA

Double Materiality Assessment

Due Diligence

The process of identifying, preventing, mitigating, and accounting for adverse impacts.

E

EASA

European Aviation Safety Agency

ECS

Environment Control System

EEA

European Economic Area

EEIO

Environmentally Extended Input-Output

EFRA

European Financial Reporting Advisory Group

EMS

Environmental Management System (EMS)

ERP

Enterprise Resource Planning

ESG

Environment, Social, Governance

ESRS

European Sustainability Reporting Standard

ESRS-aligned

Reflects the concepts and principles of the ESRS but is not currently fully compliant

EU Taxonomy

Classification system established by the European Union

EVP

Executive Vice President

ExCom

Executive Committee

F

FAA

Federal Aviation Administration

FCPA

Foreign Corrupt Practices Act

Financial materiality

How sustainability matters affect the company's financial position, performance, and development

FTK

Freight Tonne Kilometer

G

GDPR

General Data Protection Regulation

GHG

Greenhouse Gas

GHG Protocol

International standard for greenhouse gas accounting and reporting

GHG removals

Process of extraction and storage of greenhouse gases from the atmosphere

GOM

Ground Operations Manual

GRI

Global Reporting Initiative

Ground Staff

All employees under the CWA except Pilots

GSA

General Sales Agent

GSE

Ground Support Equipment

H

HR

Human Resources

I

IATA

International Air Transport Association

IATA LAR

Live Animals Regulations by the International Air Transport Association

ICAO

International Civil Aviation Organization

Impact Materiality

The significance of a company's impacts on the environment and society

IQSMS

Integrated Safety and Quality Management System

IRO

Impact, Risk and Opportunity

ISCC EU

International Sustainability and Carbon Certification

ISMS

Information Security Management System

ISO

International Organization for Standardization

ISO 14001

International standard for environmental management systems

ISO 27001

Standard for information security management systems

ISO 45001

Standard for occupational health and safety management systems

K

KYC

Know Your Customer

KYS

Know Your Supplier

L

LAR

Live Animal Regulations



L&D

Learning and Development

Learning model 70-20-10

Experiential learning framework, where 70% of the learning comes from 'on the job' experiences, 20% comes from social learning and 10% from formal education.

LTAG

Long Term Aspirational Goal

M

Materiality

The determination of relevancy for reporting

M&E

Maintenance and Engineering

MOG 232 Organizational

Managment and Control Model (Italian Legislative Decree 231/2001)

MWh

Megawatt-hour

N

N₂O

Nitrous Oxide

O

OdV

Organismo di Vigilanza

OHS

Occupational Health and Safety

OPS

Operations

Own Workforce

Employees directly employed by the company, excluding workers in the value chain.

P

PEFC

Program for Endorsement of Forest Certification

R

ReFuelEU Aviation

EU regulation mandating the use of SAF at European airports

RSB

Roundtable on Sustainable Biomaterials

S

SAF

Sustainable Aviation Fuel

Scope 1,2,3

GHG emissions that are released across our company's entire value chain

SDG

UN Sustainable Development Goals

SMS

Safety Management System

SpeakUp

Confidential whistleblower platform for reporting ethical or compliance concerns.

SquAIR-timber

Innovative lightweight beams made from cardboard fiber composite

SSG

Sustainability Steering Group

U

ULD

Unit Load Device

UN 2030 Agenda

United Nations 2030 sustainable development agenda

UNGC

United Nations Global Compact

UNGP

United Nations Guiding Principles

V

Value Chain

Includes upstream and downstream activities linked to the company



CHAPTER

11

APPENDICES



ESRS-2.IRO-2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY CARGOLUX'S SUSTAINABILITY STATEMENT

DISCLOSURE REQUIREMENT	CHAPTER	PAGE
ESRS-2 - General disclosures		
BP-1	General basis for preparation of the sustainability statement	20
BP-2	Disclosures in relation to specific circumstances	22
GOV-1	The role of the administrative, management and supervisory bodies	24
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	28
GOV-3	Integration of sustainability-related performance in incentive schemes	28
GOV-4	Statement on due diligence	29
GOV-5	Risk management and internal controls over sustainability reporting	30
SBM-1	Strategy, business model and value chain	32
SBM-2	Interests and views of stakeholders	38
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	40
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	43
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	45

DISCLOSURE REQUIREMENT	CHAPTER	PAGE
ESRS-E1 - Climate Change		
E1-1	Transition plan for climate change mitigation	50
ESRS-2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	50
ESRS-2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	50
E1-2	Policies related to climate change mitigation and adaptation	52
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E1-7	GHG removals and GHG mitigation projects financed through carbon credits	57
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Omitted as per ESRS-1 Appendix C
ESRS-E2 - Pollution		
E2-1	Policies related to pollution	62
E2-2	Actions and resources related to pollution	62
ESRS-E5 – Resource Use and Circular Economy		
E5-1	Policies related to resource use and circular economy	63
E5-2	Actions and resources related to resource use and circular economy	64
E5-3	Targets related to resource use and circular economy	65
E5-4	Resource inflows	65
E5-5	Resource outflows	66
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	Omitted as per ESRS-1 Appendix C



DISCLOSURE REQUIREMENT	CHAPTER	PAGE
ESRS-S1 - Own workforce		
ESRS-2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	72
S1-1	Policies related to own workforce	74
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	81
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	83
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S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	90
S1-6	Characteristics of the undertaking's employees	90
S1-7	Characteristics of non-employees in the undertaking's own workforce	Omitted as per ESRS-1 Appendix C
S1-8	Collective bargaining coverage and social dialogue	91
S1-9	Diversity metrics	91
S1-10	Adequate wages	91
S1-11	Social protection	92
S1-12	Persons with disabilities	92
S1-13	Training and skills development metrics	93
S1-14	Health and safety metrics	93
S1-15	Work-life balance metrics	94
S1-16	Remuneration metrics (pay gap and total remuneration)	91
S1-17	Incidents, complaints and severe human rights impacts	94

DISCLOSURE REQUIREMENT	CHAPTER	PAGE
ESRS-G1 - Business Conduct		
ESRS-2 GOV-1	The role of the administrative, management and supervisory bodies	97
G1-1	Business conduct policies and corporate culture	98
G1-2	Management of relationships with suppliers	109
G1-3	Procedures to address corruption and bribery	110
G1-4	Incidents of corruption or bribery	112
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APPENDIX 2

ESRS-2.IRO-2. LIST OF DATA POINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SUSTAINABLE FINANCE DISCLOSURE REGULATION	PILLAR 3	BENCHMARK REGULATION	EU CLIMATE LAW	REFERENCE
ESRS-2 GOV-1 Board's gender diversity, Paragraph 21 (d)	Indicator no. 13 in Annex 1, Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		24
ESRS-2 GOV-1 Percentage of board members who are independent, Paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/1816, Annex I		24
ESRS-2 GOV-4 Statement on due diligence, Paragraph 30	Indicator no. 10 in Annex 1, Table 3				29
ESRS-2 SBM-1 Involvement in activities related to fossil fuel activities, Paragraph 40 (d) (i)	Indicator no. 4 in Annex 1, Table 3	Article 449a of Directive (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1 and Table 2	Commission Delegated Regulation (EU) 2020/1816, Annex II		32
ESRS-2 SBM-1 Involvement in activities related to chemical production, Paragraph 40 (d) (ii)	Indicator no. 9 in Annex 1, Table 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		n/a
ESRS-2 SBM-1 Involvement in activities related to controversial weapons, Paragraph 40 (d) (i)	Indicator no. 14 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1818, Article 12; EU 2020/1816 Annex II		n/a
ESRS-2 SBM-1 Involvement in activities related to cultivation and production of tobacco, Paragraph 40 (d) (i)			Delegated Regulation (EU) 2020/1818, Article 12; EU 2020/1816 Annex II		n/a
ESRS-E1-1 Transition plan to reach climate neutrality by 2050, Paragraph 14				Regulation (EU) 2021/1119, Article 2	50
ESRS-E1-1 Undertakings excluded from Paris-aligned benchmarks, Paragraph 16 (g)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1	Delegated Regulation (EU) 2020/1818, Article 12		50

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SUSTAINABLE FINANCE DISCLOSURE REGULATION	PILLAR 3	BENCHMARK REGULATION	EU CLIMATE LAW	REFERENCE
ESRS-E1-4 GHG emission reduction targets, Paragraph 34	Indicator no. 4 in Annex 1, Table 2	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3	Delegated Regulation (EU) 2020/1818, Article 6		56
ESRS-E1-5 Energy consumption from fossil sources disaggregated by sources (high climate impact sectors), Paragraph 38	Indicator no. 5 in Annex 1, Table 1 and Table 2				56
ESRS-E1-5 Energy consumption and mix, Paragraph 37	Indicator no. 5 in Annex 1, Table 1				56
ESRS-E1-5 Energy intensity associated with activities in high climate impact sectors, Paragraphs 40 to 43	Indicator no. 6 in Annex 1, Table 1				Omitted
ESRS-E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions, Paragraph 44	Indicator nos. 1 and 2 in Annex 1, Table 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1	Delegated Regulation (EU) 2020/1818, Articles 5, 6 and 8		57
ESRS-E1-6 Gross GHG emissions intensity, Paragraphs 53 to 55	Indicator no. 3 in Annex 1, Table 3	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3	Regulation (EU) 2020/1818, Article 8		57
ESRS-E1-7 GHG removals and carbon credits, Paragraph 56				Regulation (EU) 2021/1119, Article 2	57
ESRS-E1-9 Exposure of the benchmark portfolio to climate-related physical risks, Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II; Delegated Regulation (EU) 2020/1816, Annex II		Omitted
ESRS-E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, Paragraph 66(a)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 5			Omitted



DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SUSTAINABLE FINANCE DISCLOSURE REGULATION	PILLAR 3	BENCHMARK REGULATION	EU CLIMATE LAW	REFERENCE
ESRS-E1-9 Breakdown of carrying value of real estate assets by energy-efficiency classes, Paragraph 67(c)		Article 449a Regulation (EU) 2022/2453, Template 2			Omitted
ESRS-E1-9 Degree of exposure of the portfolio to climate-related opportunities, Paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II		Omitted
ESRS-E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation, Paragraph 28	Indicator no. 8 in Annex 1, Table 1; indicator no. 2 in Annex 1, Table 2				Not material
ESRS-E3-1 Water and marine resources, Paragraph 9	Indicator no. 7 in Annex 1, Table 2				Not material
ESRS-E3-1 Dedicated policy, Paragraph 13	Indicator no. 8 in Annex 1, Table 2				Not material
ESRS-E3-1 Sustainable oceans and seas, Paragraph 14	Indicator no. 12 in Annex 1, Table 2				Not material
ESRS-E3-4 Total water recycled and reused, Paragraph 28(c)	Indicator no. 6.2 in Annex 1, Table 2				Not material
ESRS-E3-4 Total water consumption in m ³ per net revenue on own operations, Paragraph 29	Indicator no. 6.1 in Annex 1, Table 2				Not material
ESRS-2 – SBM-3 – E4 , Paragraph 16(a)(i)	Indicator no. 7 in Annex 1, Table 1				Not material
ESRS-2 – SBM-3 – E4 , Paragraph 16(b)	Indicator no. 10 in Annex 1, Table 2				Not material
ESRS-2 – SBM-3 – E4 , Paragraph 16(c)	Indicator no. 14 in Annex 1, Table 2				Not material
ESRS-E4-2 Sustainable land/agriculture practices or policies, Paragraph 24(b)	Indicator no. 11 in Annex 1, Table 2				Not material
ESRS-E4-2 Sustainable oceans/seas practices or policies, Paragraph 24(c)	Indicator no. 12 in Annex 1, Table 2				Not material



DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SUSTAINABLE FINANCE DISCLOSURE REGULATION	PILLAR 3	BENCHMARK REGULATION	EU CLIMATE LAW	REFERENCE
ESRS-E4-2 Policies to address deforestation, Paragraph 24(d)	Indicator no. 15 in Annex 1, Table 2				Not material
ESRS-E5-5 Non-recycled waste, Paragraph 37(d)	Indicator no. 13 in Annex 1, Table 2				66
ESRS-E5-5 Hazardous waste and radioactive waste, Paragraph 39	Indicator no. 9 in Annex 1, Table 1				66
ESRS-2 – SBM3 – S1 Risk of incidents of forced labour, Paragraph 14(f)	Indicator no. 13 in Annex 1, Table 3				72
ESRS-2 – SBM3 – S1 Risk of incidents of child labour, Paragraph 14(g)	Indicator no. 12 in Annex 1, Table 3				72
ESRS-S1-1 Human rights policy commitments, Paragraph 20	Indicator no. 9 in Annex 1, Table 3 and indicator no. 11 in Annex 1, Table 1				81
ESRS-S1-10 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, Paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		91
ESRS-S1-1 Processes and measures for preventing trafficking in human beings, Paragraph 22	Indicator no. 11 in Annex 1, Table 3				74
ESRS-S1-1 Workplace accident prevention policy or management system, Paragraph 23	Indicator no. 1 in Annex 1, Table 3				74
ESRS-S1-3 Grievance/complaints handling mechanisms, Paragraph 32(c)	Indicator no. 5 in Annex 1, Table 3				83
ESRS-S1-14 Number of fatalities and rate of work-related accidents, Paragraph 88(b) and (c)	Indicator no. 2 in Annex 1, Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		93



DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SUSTAINABLE FINANCE DISCLOSURE REGULATION	PILLAR 3	BENCHMARK REGULATION	EU CLIMATE LAW	REFERENCE
ESRS-S1-14 Number of days lost to injuries, accidents, fatalities or illness, Paragraph 88(e)	Indicator no. 3 in Annex 1, Table 3				93
ESRS-S1-16 Unadjusted gender pay gap, Paragraph 97(a)	Indicator no. 12 in Annex 1, Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		91
ESRS-S1-16 Excessive CEO pay ratio, Paragraph 97(b)	Indicator no. 8 in Annex 1, Table 3				91
ESRS-S1-17 Incidents of discrimination, Paragraph 103(a)	Indicator no. 7 in Annex 1, Table 3				94
ESRS-S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines, Paragraph 104(a)	Indicator no. 10 in Annex 1, Table 1 and indicator no. 14 in Annex 1, Table 3		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12		94
ESRS-2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain, Paragraph 11(b)	Indicator nos. 12 and 13 in Annex 1, Table 3				Not material
ESRS-S2-1 Human rights policy commitments, Paragraph 17	Indicator no. 9 in Annex 1, Table 3 and indicator no. 11 in Annex 1, Table 1				Not material
ESRS-S2-1 Policies related to value chain workers, Paragraph 18	Indicator nos. 11 and 4 in Annex 1, Table 3				Not material
ESRS-S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD Guidelines, Paragraph 1	Indicator no. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12		Not material
ESRS-S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, Paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS-S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, Paragraph 36	Indicator no. 14 in Annex 1, Table 3				Not material



DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SUSTAINABLE FINANCE DISCLOSURE REGULATION	PILLAR 3	BENCHMARK REGULATION	EU CLIMATE LAW	REFERENCE
ESRS-S3-1 Human rights policy commitments, Paragraph 16	Indicator no. 9 in Annex 1, Table 3 and indicator no. 11 in Annex 1, Table 1				Not material
ESRS-S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD Guidelines, Paragraph 17	Indicator no. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12, Paragraph 1		Not material
ESRS-S3-4 Human rights issues and incidents, Paragraph 36	Indicator no. 14 in Annex 1, Table 3				Not material
ESRS-S4-1 Policies related to consumers and end-users, Paragraph 16	Indicator no. 9 in Annex 1, Table 3 and indicator no. 11 in Annex 1, Table 1				Not material
ESRS-S4-1 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines, Paragraph 17	Indicator no. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12, Paragraph 1		Not material
ESRS-S4-4 Human rights issues and incidents, Paragraph 35	Indicator no. 14 in Annex 1, Table 3				Not material
ESRS-G1-1 United Nations Convention against Corruption, Paragraph 10(b)	Indicator no. 15 in Annex 1, Table 3				98
ESRS-G1-1 Protection of whistle-blowers, Paragraph 10(d)	Indicator no. 6 in Annex 1, Table 3				98
ESRS-G1-4 Fines for violation of anti-corruption and anti-bribery laws, Paragraph 24(a)	Indicator no. 17 in Annex 1, Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		112
ESRS-G1-4 Standards of anti-corruption and anti-bribery, Paragraph 24(b)	Indicator no. 16 in Annex 1, Table 3				112



LIST OF OMITTED DATA POINTS

DR	PARAGRAPH	NAME
ESRS-2 - General disclosures		
SBM-1	40 b	The undertaking shall disclose the following information about the key elements of its general strategy that relate or affect sustainability matters
SBM-2	45 c i	The undertaking shall disclose a summarized description of: where applicable, amendments to its strategy and/or business model, including: how the undertaking has amended or expects to amend its strategy and/or business model to address the interests and views of its stakeholders
	45 c iii	whether these steps are likely to modify the relationship with and views of stakeholders
SBM-3	48 d (AR18)	The undertaking shall disclose: The current financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;
	48 e	The anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium- and long-term, including the reasonably expected time horizons for those effects. This shall include how the undertaking expects its financial position, financial performance and cash flows to change over the short, medium- and long-term, given its strategy to manage risks and opportunities, taking into consideration: i. its investment and disposal plans (for example, capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the undertaking is not contractually committed to; and ii. its planned sources of funding to implement its strategy.
	48 h	A specification of those impacts, risks and opportunities that are covered by ESRS Disclosure Requirements as opposed to those covered by the undertaking using additional entity-specific disclosures
IRO-2	59	The undertaking shall provide an explanation of how it has determined the material information to be disclosed in relation to the impacts, risks and opportunities that it has assessed to be material, including the use of thresholds and/or how it has implemented the criteria in ESRS-1 section 3.2 Material matters and materiality of information.

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LIST OF OMITTED DATA POINTS

OR	PARAGRAPH	NAME
ESRS-E1 Climate Change		
SBM-1	40 b	The undertaking shall disclose the following information about the key elements of its general strategy that relate or affect sustainability matters
E1.IRO-1	AR 12 d	Assets and business activities that are incompatible with or need significant efforts to be compatible with transition to climate-neutral economy have been identified
E1-2	65 c	Description of most senior level in organisation that is accountable for implementation of policy
E1-3	29 c i	Explanation of relationship of significant CapEx and OpEx required to implement actions taken or planned to relevant line items or notes in financial statements
E1-6	AR 45 d	Percentage of contractual instruments, Scope 2 GHG emissions
		Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions
		Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions
		Disclosure of types of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation or for unbundled energy attribute claims
	AR 45 e	Shall disclose biogenic emissions of CO ₂ carbon from the combustion or biodegradation of biomass separately from the Scope 2 GHG emissions but include emissions of other types of GHG (in particular CH ₄ and N ₂ O).
		In case the emission factors applied do not separate the percentage of biomass or biogenic CO ₂ , the undertaking shall disclose this.
	AR 46 j	Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass that occur in value chain not included in Scope 3 GHG emissions
	53	GHG emissions intensity, location-based (total GHG emissions per net revenue)
	55	GHG emissions intensity, market-based (total GHG emissions per net revenue)
ESRS-E5 Resource use		
IRO-1	11a	Disclosure of whether the undertaking has screened its assets and activities in order to identify actual and potential impacts, risks and opportunities in own operations and upstream and downstream value chain, and if so, methodologies, assumptions and tools used
	11 b	Disclosure of whether and how the undertaking has conducted consultations (resource and circular economy)
E5-1	15a	Disclosure of whether and how policy addresses transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources

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LIST OF OMITTED DATA POINTS

DR	PARAGRAPH	NAME
ESRS-S1 Own Workforce		
SBM-1	40b	Breakdown of total revenue, as included in its financial statements, by significant ESRS sectors. When the undertaking provides segment reporting as required by IFRS 8 Operating segments in its financial statements, this sector revenue information shall be, as far as possible, reconciled with IFRS 8 information
S1-4	39	Description of process through which it identifies what action is needed and appropriate in response to particular actual or potential negative impact on own workforce
ESRS-G1 Business Conduct		
G1-2	14	Description of policy to prevent late payments, especially to SMEs
G1-3	18b	Investigators or investigating committee are separate from chain of management involved in prevention and detection of corruption or bribery
G1-6	33a	Average number of days to pay invoice from date when contractual or statutory term of payment starts to be calculated

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