Strong social partnership

SSENTIAL FOR LASTING CORPORATE SUCCESS

The German labour market is robust. Never before have so many people in this country had a job, with some districts recording unemployment rates of less than two percent under full employment - not least for regions close to the airport. As such, there is a stronger focus on the quality of jobs for workers and graduates. The Lufthansa Group is well positioned when it comes to this.



"I am pleased that there are people in the Group and in different areas who are determined to develop and drive forward innovative and future-oriented business models, such as Lufthansa Aerial Services."

DR. BENJAMIN LÖHR Head of Lufthansa Aerial Services



Lufthansa Cargo

"My job gives me the unique opportunity to act in an entre-preneurial manner and to develop digital prototypes, whilst at the same time having a large group with a strong brand behind me."

SOLVEIG SCHULZE

Senior Venture Development Manager, Lufthansa Innovation Hub

no matter how many gulf carriers enter the picture." **GUNNAR STRAUSS** Customer Account Manager,

"Lufthansa Cargo is still a good German company with strong collective agreements and social benefits. We will stand our ground,



8.000 **NEW EMPLOYEES** will start at the Lufthansa Group in 2018

"At the beginning, Lufthansa InTouch for me was a great way to get to work abroad. 16 years later, I have been stationed in Dublin, Brno, Melbourne, Cape Town and now Berlin."

MICHAELA KAIM-SCHOBY

Site Manager, Lufthansa InTouch Customer Service

The Group has always been committed to the social market economy. In concrete terms, this means that the global group has found the right balance between the interests of its around 140,000 employees worldwide and the requirements of the business. However, this is by no means trivial - the Lufthansa Group always has to be ready to answer questions about how they want to position themselves for the future. They have to customise and abandon strategies, break up structures and completely open up new fields of business. On the one hand, this dynamism is satisfying - who doesn't want to work in an innovative and successful group? On the other hand, it is also demanding for all employees.

Deep appreciation for employee representatives

This makes workers' councils even more important. In Germany alone, 943 works councils represent the interests of employees at the Lufthansa Group and play a part in the Group's strategic orientation. In addition, the company relies on the collective bargaining partnership in order to achieve a fair balance of interests. And so it was that in December 80 percent of the members of the German pilots' trade union (Vereinigung Cockpit, VC) voted for the newly negotiated collective agreements. Also in December, Eurowings agreed collective agreements for growth with ver.di and the VC. Other airlines - first and foremost Ryanair - extensively refuse to bargain with the trade unions in this country to a large extent.

LUFTHANSA GROUP

Unimagined diversity

Lufthansa is successfully embracing the social partnership. Passenger numbers are increasing and the company can invest strongly in innovation. Aspects of a successful company:

- Training: Aircraft mechanics and toolmakers, air transport and insurance brokers, cooks, franchise restaurant proprietors, computer scientists, food technologists, logistics experts, salespeople ... The Lufthansa Group is currently training more than 1,000 young people in 30 different occupations. So that all trainees from Air Berlin Technik can successfully complete their training, Lufthansa Technik and the trade union ver.di entered into a corresponding agreement in mid-December.
- Digitalisation: An important reason for Lufthansa's high level of attractiveness is that there is space for creativity and innovation here, despite its structure as a large global company. According to a study by the business magazine Capital, Lufthansa is a pioneer in digitisation and has the best innovation lab in Germany. In a large-scale study on the subject of service apps carried out by Focus Money, Lufthansa took first place across all industries, and its subsidiary Eurowings took spot number three.
- Talent Management: "Every employee has talent" the Lufthansa Group develops its employees according to this guiding principle. To do this, the company regularly recalibrates its instruments. "Spotlight on talent" focuses on internal

talent across all business fields. Via the "TalentHub", the Group stays in contact with external talent more easily – for example with former interns who distinguished themselves through very good performance. As the third new format, the "Alumni Network" reaches out to former employees.

Women to the front

Nevertheless, there's still room for improvement. This applies in particular to the proportion of women in leadership positions. By 2021, Lufthansa wants to nearly double the share to 18 percent at top management level. At the level below that, the goal is a ratio of 24 percent. In concrete terms, this means that there needs to be another 41 female employees employed at this level in addition to the 110 female employees already there. These are ambitious goals that the company wants to achieve with new measures such as the "Ladies Think Tank".

Shaping Europe's air transport market together

The Lufthansa Group has done its homework in the past few years. Collective agreements and products have been modernised, while unit costs and debt have been reduced. Thanks to this team performance by Lufthansa employees, the company can play an active role in shaping the important European consolidation of the airline market and offer professional opportunities to 8,000 new employees in the coming year. Together with the employee representatives, the Lufthansa Group will continue to make groundbreaking decisions in order to survive in the global competition and to offer good and secure jobs.



"I am proud to have been part of this global group for over 20 years. That speaks for itself. But I also wonder what changes growth will bring."

SILKE SCHMUCK Head of Sales, LSG Sky Food





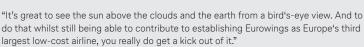
"What do I still love about working at N3? My work is very diversified. As a team, we bear the responsibility for delivering good quality every day to ensure safe flight operations for our customers."

CHRISTIAN SCHMIDT NDT Cleaning Operator,

N3 Engine Overhaul Services

"In the last three years I have seen half of Europe. We fly from Berlin to dozens of destinations. The best thing though: I love going to work every day, because the team is great and our tasks and passengers are diverse."

NICOLE MOSINIAK Eurowings Flight Attendant



ANDREAS CLAUDIUS

Head of flight operations and A330 Captain of Sun Express Germany, a joint venture by the Lufthansa Group