

Report on Child Labour Due Diligence in the Supply Chain FY 2023

Contents

- 1. General Introduction
- 2. Our Group
- 3. Our Commitment to Human Rights
- 4. Child Labour Risk Identification and Assessment
- 5. Supply Chain Child Labour Traceability System
- 6. Child Labour Risks and Impacts Reporting Mechanism
- 7. Our Next Steps

1. General Introduction

About this report

Child labour remains a critical issue, and as a responsible business with a global presence, we are committed to ensuring that our operations and activities across our supply chain meet the highest ethical standards. The purpose of this report is to highlight the Group's commitment to addressing the exploitation and use of child labour, both among our employees and within our supply chain. Throughout this document, we aim to outline the specific actions we have taken and the ongoing initiatives and policies we have in place to minimise risks associated with potential violations of Human Rights and promote a safer and more ethical working environment free from child labour practices.

Compliance with local and international child labour regulations is not only a legal requirement but also a core component of our business practices. This report fulfils the due diligence and reporting obligations on child labour set out in Art. 964j-l of the *Swiss Code of Obligations* ("CO") and the Swiss "Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour" ("DDTrO").

The supplier due diligence process is, an essential element in (i) identifying any products or services in its supply chain that have reasonable grounds to believe have been produced or supplied using child labour, (ii) identifying and assessing the risks of negative impacts in the Group's supply chain, and (iii) preparing and publishing an annual report on compliance with due diligence obligations.

The governing body and management team have been fully involved in preparing this report. The Board of Directors of Bravonext SA approved the report on 27 June 2024. The publication date was 28 June 2024 and the document is available on our corporate website in the [Sustainability section](#).

Scope of reporting

The requirements set out in the regulations mentioned above apply exclusively to companies headquartered in Switzerland that fall within the defined thresholds (art. 6.2 of the DDTrO). The only Group's legal entity within the scope of the application as stated in section 3 of the DDTrO is Bravonext SA. Nevertheless, BravoNext offers (and coordinates) services to most other Group's entities, claiming a seamless and integrated approach across the organisation.

For these reasons, to minimise risks and ensure a higher level of compliance and transparency towards our stakeholders, the due diligence process and information included within this report have been carried out for all Group companies (see Annex I for an overview of the Group's legal entities within the scope of this report). This proactive step underlines our commitment to ethical practices and responsible business conduct.

The insights and data included correspond to activities carried out during the fiscal year 2023 (from 1 January to 31 December 2023), but we have also provided some forward-looking information on our initiatives to address and develop our child labour risk management.

We recognise that the fight against child labour is an ongoing challenge that requires constant vigilance and proactive actions. This report is the beginning of a journey, and while we have only recently begun this process, we are committed to continuous improvement. We have a clear plan, and through our dedicated efforts, we aim to improve our practices over time. By sharing our efforts, successes, and areas of improvement, we demonstrate our commitment to transparency and hope to inspire others to join us in the global effort to eradicate child labour.

2. Our Group

lastminute.com (henceforth also the “Group”), as the European Travel Tech Leader in Dynamic Holiday Packages, is committed to revolutionising the travel industry through technology. Our mission is to simplify, personalise, and enhance our customers’ travel experiences, positioning ourselves at the forefront of innovation.

Headquartered in Switzerland, the Group has embarked on a journey of consistent growth, driven by both organic expansion and strategic acquisitions, paired with profit generation.

Our parent Company, lastminute.com N.V., based in Amsterdam and listed on the SIX Swiss Stock Exchange in Zurich since 2014, provides a solid foundation for our ongoing success.

We are present in 58 countries and over 20 different languages. Our well-established international and local brands - such as lastminute.com, weg.de, Bravofly, Rumbo, Volagratis, Jetcost, Crocierissime, and Hotelscan - are still present across the largest European travel markets, including the United Kingdom, France, Germany, Italy, and Spain. The Group employs over 1,700 individuals, all dedicated to powering every step of the traveller’s journey.

We operate in the resilient travel and leisure market, but as a technology Group, our business is significantly powered by our digital-first business model. Put simply, we enable people to travel the world, whether that’s for holidays, visiting friends and family, or business.

For 2024, we will continue to actively explore the implementation of Dynamic Packages technology, leveraging the Group's strong partnerships and becoming the leading provider of these products

3. Our Commitment to Human Rights

Respecting Human Rights and treating people with dignity and respect is fundamental. Our commitment to Human Rights is guided by international standards, including the United Nations Guiding Principles on Business & Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the ILO Core Conventions. We encourage everyone to respect and promote Human Rights throughout our operations by seeking to identify, prevent, and mitigate Human Rights abuses.

As a technology Group, the potential Human Rights impact resulting from lastminute.com's activities primarily affects employees and the workers of suppliers and business partners. Therefore, the company is committed to working to protect and respect their rights continuously.

This unwavering commitment to Human Rights is comprehensively outlined in our [Code of Conduct](#), which was reviewed in 2023 and serves to:

- (i) underscore lastminute.com's commitment to ethics and legal compliance;
- (ii) establish basic standards of ethical and legal behaviour;
- (iii) provide mechanisms for reporting known or suspected ethical or legal violations; and
- (iv) help prevent and detect wrongdoing.

In particular, the Code underscores the Group's efforts to ensure that its activities (directly or through its business relationships) respect fundamental Human Rights, as outlined in the United Nations Bill of Rights and the ILO Core Conventions.

The Group rejects and strictly prohibits any behaviour that violates the Human Rights of any employee or individual employed on behalf of the Group, particularly forced labour or child labour, in its supply chain. The use of forced, bonded, or involuntary prison labour is strictly prohibited, both within our Group's workforce and throughout our supply chain. We do not tolerate any form of child exploitation.

In 2023, the Group also adopted a [Human Rights Policy](#), inspired by the Group's Code of Conduct and the above-mentioned guiding principles, which promotes integrity and dignity for all employees and partners of lastminute.com. Through this policy, the Group commits to rejecting any form of forced and compulsory labour, child labour, and any other form of exploitation or discrimination. We expect the same from our suppliers, business partners, and any other individual working with us. For more information, please consult our Human Rights Policy.

This zero-tolerance approach to slavery, servitude, forced and compulsory labour is also highlighted in our [Modern Slavery Act Policy](#), which sets out the responsibility of every one of us in observing and upholding our Company's position on modern slavery and provides information on the reporting process in case of knowledge or suspicion of a violation.

To promote compliance with these policy provisions, our Risk Management & control team periodically reviews the policies and monitors their implementation, while the Internal Audit team oversees performing independent audits on an ad hoc and sample basis.

In 2024, we are in the process of updating our Global Procurement Policy to ensure that it fully incorporates all child labour due diligence requirements in our supply chain, in line with the process we are currently implementing. Our policy will be consistent with the requirements outlined in Article 11 of the DDTrO and will specify the tools we use to identify, assess, eliminate or mitigate the risks of potential instances of child labour in our supply chain, particularly where there are reasonable grounds to suspect the involvement of child labour in the provision of our products or services.

Furthermore, during the onboarding phase of our employees, we strictly enforce the minimum legal working age in each country through standardised employment contracts across the Group. Additionally, the Group is committed to upholding the Human Rights of its employees and collaborators by ensuring ethical principles such as inclusion, gender equity, and flexible, limited working hours.

At lastminute.com, our commitment to Human Rights is not just a policy but a core value that guides everything we do. We are committed to promoting a more ethical and sustainable travel industry. In 2023, we launched a dedicated editorial hub on our website called Planet Heart, which aims to promote sustainable travel practices. Through Planet Heart, we aim to raise awareness of several critical issues, including child labour and Human Rights in tourist destinations. This platform provides valuable insight to help our customers make informed choices that support ethical practices. We are determined to continuously improve in this area and will regularly review and update our practices to ensure that we remain at the forefront of Human Rights advocacy.

For further information on our commitment to Human Rights, please see “Chapter 10” of our [2023 Sustainability Report](#).

4. Child Labour Risk Identification and Assessment

Our supply chain is primarily divided into three main categories: operations providers, business services providers, and providers of services and goods not directly related to the business. Details regarding operations providers and providers not directly related to the business will be further elaborated in the following sections (*Operations Procurement and Procurement*).

We have not included the business services providers category in the current report, as the Group started a process to categorise providers and identify those in countries from medium to high risk in 2024. lastminute.com will send appropriate surveys to these providers to investigate any suspicions of child labour exploitation in their production or supply chains, between late 2024 and early 2025.

We implement a rigorous supplier selection process overseen by our Global Procurement Team, aligning with the Group Procurement Policy and Procedure. These guidelines define our supplier selection criteria and contractual conditions and ensure compliance with laws and the GDPR framework.

The process involves cross-functional collaborations, including input from Global Procurement, the Business Owner, and the Legal and Data Protection team. As part of our due diligence evaluation, our suppliers are assessed in terms of honesty, integrity, compliance, and confidentiality. Many risks are assessed in association with each supplier that is contracted, in line with the Supplier Management Policy. These include compliance risk, country risk, credit risk, reputation risk, and information technology risk.

In parallel, to further identify risks associated with the presence of child labour in our value chain, we launched a child labour due diligence project in 2023, which consists of two steps:

- 1) **Preliminary Assessment:** it is aimed at identifying potential suppliers in medium and high-risk countries¹. This initial screening helps us to focus our detailed evaluation on the most critical regions. Based on this screening, we have selected a set number of partners in these countries for further analysis (step 2);
- 2) **Detailed Assessment and Controls:** in 2024 we are developing a detailed survey for gathering further information on selected suppliers about their Human Rights practices and standards. This assessment will further be complemented with random controls to help us verify compliance with our internal Human Rights standards and uncover potential risks

The preliminary analysis conducted during fiscal year 2023, was undertaken by considering two main supplier categories:

- 1) *Procurement Suppliers:* encompassing all products and services purchased from our active suppliers for the Group's use ranging from vendors of equipment and office suppliers to facility maintenance among others; and
- 2) *Operations Suppliers:* relating to our Group's day-to-day activities and operational needs providing goods and services that support the infrastructure and core business processes such as server management, cloud services, and customer care.

To uphold our internal Sustainability principles and our commitment to Human Rights, in 2023 we enhanced our supplier onboarding process to align with these principles. Following a thorough review, we have incorporated an Environmental, Social, and Governance (ESG) section into our corporate Terms and Conditions (T&Cs). Through this document, we explicitly address issues such as the prohibition of forced and child labour, employee health and safety, fair treatment and wages, and respect for freedom of association and collective bargaining. More specifically, in terms of forced and child labour, we state:

¹ Countries classified as "Enhanced" or "Heightened" according to the Children's Rights in the Workplace Index, UNICEF (June 2023).

- Prohibition of forced labour: the provider shall not tolerate, participate in, or benefit from any form of forced labour, including bonded labour, servitude "for debt", forced prison labour, slavery, or human trafficking. All employment is voluntary, and all workers are free to leave their jobs at any time or terminate their contracts.
- Prohibition of child labour: the provider does not tolerate, partisan, or support the use of child labour. The term "child" refers to anyone who is under the age of 15 (or 14 if permitted by the national law in question), who is not of the age to complete compulsory education, or who is not of the minimum age to work in the country in question.

Preliminary Assessment

Procurement Suppliers

The majority of goods and services are mainly procured in Europe from countries with a low risk of potential child labour exploitation. Despite operating in this lower-risk environment, we remain proactive in our approach to ethical sourcing. Therefore, we incorporate specific contractual clauses addressing child labour in our procurement processes. These clauses are designed to reinforce our commitment to ethical sourcing practices and encourage our suppliers to uphold stringent standards against child labour.

In contractual agreements where lastminute.com templates are used, the Human Rights clause explicitly prohibits child labour, underscoring our commitment to Human Rights and ethical business practices. It states,

"it does not employ engage or otherwise use any child labour in circumstances such that the tasks performed by any such child labour could reasonably be foreseen to cause either physical or emotional impairment to the development of such child in all countries in which it operates."

While the Group's procurement system is globally managed by the Global Procurement team, a small proportion of purchases in 2023 - less than 60 transactions, representing approximately 4.23% of around 1,370 global purchases - were conducted by our procurement team in India sourcing local products and services. UNICEF classifies India as a country with a medium-risk (i.e. enhanced) of child labour.

As our sole hub outside of Europe, our operations in India have unique operational requirements that make having a local procurement team more beneficial than managing operations solely from our European headquarters. This decentralised approach enhances efficiency by addressing local administrative and logistical needs including office rental, employee mobility management, procurement and maintenance of equipment such as printers and stationery, and catering services.

Despite being the only hub with a local procurement department, operations in India adhere to the same rigorous controls and monitoring as the rest of the Group, aligning closely with our values and principles.

Operations Suppliers

The Group engages with suppliers and third-party agents to ensure the regularity of business operations, with a particular focus on the management of servers/cloud services and customer care call centres.

- Servers and Cloud Operations (OTA, Meta, and Cruises): for servers and cloud operations (i.e. OTA, Meta, and Cruises), the Group relies exclusively on suppliers operating in countries with a low risk of child labour exploitation according to the UNICEF 2023 Children's Rights in the Workplace Index. All these suppliers are based in countries within the European Union, claiming compliance with strict ethical standards. Additionally, the Group is committed to prioritising relationships with service providers based in countries with a low risk of child exploitation and a proven track record of reliability. When not possible, identification and assessment of risks as well as appropriate remediation and prevention action plans will be put in place in line with international standards.
- Customer Care Operations: for its customer care operations, encompassing both pre-sales and after-sales management, the Group leverages a combination of internal employees, comprising approximately 60% of the agents located in Spain, Switzerland, and India, and external suppliers, who account for the remaining 40% and operate across Europe and two countries classified as having a medium risk of child labour exploitation (Albania and Morocco). As previously explained, the internal Customer Care operations in India, (at medium risk of child labour), adhere to our company's values and standard contract guidelines.

The external Customer Care suppliers located in Albania and Morocco employ circa 265 people providing service to our Group. The suppliers in these countries are multinational companies, with whom the Group has a long-standing relationship. Our internal customer care members conduct frequent calls, visits, and joint training sessions to ensure close collaboration with our external agents and partners. By maintaining this rigorous oversight and selecting partners with proven track records that pertain to the respect of Human Rights and compliance with regulations against labour exploitation, the Group reinforces its commitment to ethical practices and the protection of vulnerable populations.

Detailed Assessment and Controls

The preliminary identification of suppliers located in countries at medium or high risk of child labour in 2023 has allowed us to prioritise those that are subject to further analysis. Starting in 2024, we have embarked on a comprehensive process to develop a specific survey to gather key information about Human Rights standards. This process aims to ensure compliance with our ethical standards and to identify potential risks associated with child labour in our supply chain.

This survey covers various aspects of our suppliers' operations, including employment practices, monitoring mechanisms, measures to prevent child labour, among others. In the fiscal year 2024, surveys will be sent to suppliers identified in the preliminary assessment, and responses will be reviewed and analysed to identify areas of concern. Data collected will provide a clearer picture of the suppliers' adherence to Human Rights standards and highlight any areas requiring further investigation.

In parallel, we will conduct potential controls (if required) of selected suppliers to verify the information provided in the detailed surveys and ensure ongoing compliance with standards.

Our overarching goal is to continuously improve our screening process to effectively identify, assess, and mitigate Human Rights risks in our supply chain. We recognise that this is an ongoing process that requires constant refinement and improvement, but we have begun our journey to promote responsible business practices throughout our value chain.

5. Supply Chain Child Labour Traceability System

As part of our due diligence efforts, we plan to develop an automated system to further strengthen our ability to analyse and standardise our procurement suppliers, as they represent the vast majority of our partners in terms of numbers. The system will focus on suppliers from regions identified as medium and high risk for child labour.

The system will ensure a thorough review of the processes and policies that counterparties have in place to mitigate child labour risks in their operations and supply chains, and will provide an internal score based on this information, which will form part of our decision making process, including escalation procedures.

Key features of the system will include:

- Centralisation of data storage and analysis, ensuring that all information is easily accessible and systematically organised for in-depth analysis;
- A standardised scoring system and automatic escalation process to ensure that any variances are promptly assessed and addressed.

6. Child Labour Risks and Impacts Reporting Mechanism

All stakeholders are encouraged to report any (suspected) violation of Human Rights through publicly accessible channels. To this end, we have implemented our **Integrity Helpline**, a web-based platform that offers two channels for addressing concerns (anonymously and/or confidentially):

1. The **Whistleblowing channel** (accessible by employees and external stakeholders) is primarily designed for reporting violations of the Code of Conduct, illegal behaviour, and severe misconduct. This also includes instances of reasonable concerns about potential or actual negative impacts related to child labour. For further details, you can read our [Whistleblowing Policy](#).

2. The **Inquiry Form** (accessible by employees only) is primarily used for seeking clarification on potential Code of Conduct violations, expressing concerns about ethical dilemmas, and requesting support in defining appropriate courses of action.

Anyone who, in good faith, raises a concern about a possible violation of ethics or compliance will be supported by lastminute.com's management and will not be subject to any form of retaliation. Additionally, the Group will provide information on the reports received to the Audit and Risk Committee or the Board of Directors, as applicable. All reports will be documented internally in writing.

It should be noted that in the reporting period, lastminute.com recorded zero reported cases of concern about Human Rights or child labour.

7. Our Next Steps

As we advance in our commitment to upholding the highest level of compliance and consistency with our ethical principles, the Group is committed to several fundamental initiatives.

As mentioned above, our first goal for 2024 is to make significant progress in implementing the child labour due diligence process that we are currently immersed in. We expect to gather information from the selected suppliers and begin conducting initial potential checks before the end of the year in cases where concerns arise regarding child labour exploitation within our supplier network.

Furthermore, in line with our commitments and the journey we started in 2023, we are in the process of updating our Global Procurement Policy to include all child labour due diligence requirements in accordance with applicable legal requirements.

Consequently, we will deliver additional work streams that will support child labour risk management. Chief among these is the development and adoption of a Corporate Criminal Liability Model. This model will address the potential risks associated with criminal activities, such as child exploitation, mapping and establishing internal procedures and controls to prevent employees and representatives of the Group from committing crimes. This is an important step in ensuring that all stakeholders adhere to the same high standards of ethics and legality.

Finally, a critical and ongoing commitment is to continually improve and update our Enterprise Risk Management framework. This commitment enables us to identify and mitigate any potential threats promptly, thereby providing constant protection against illegal and unethical behaviour.

Signed by: Luca Concone
E-Mail: luca.concone@lastminute.com
Signing time: 27-06-2024 18:43:04
IP address: 37.161.208.44

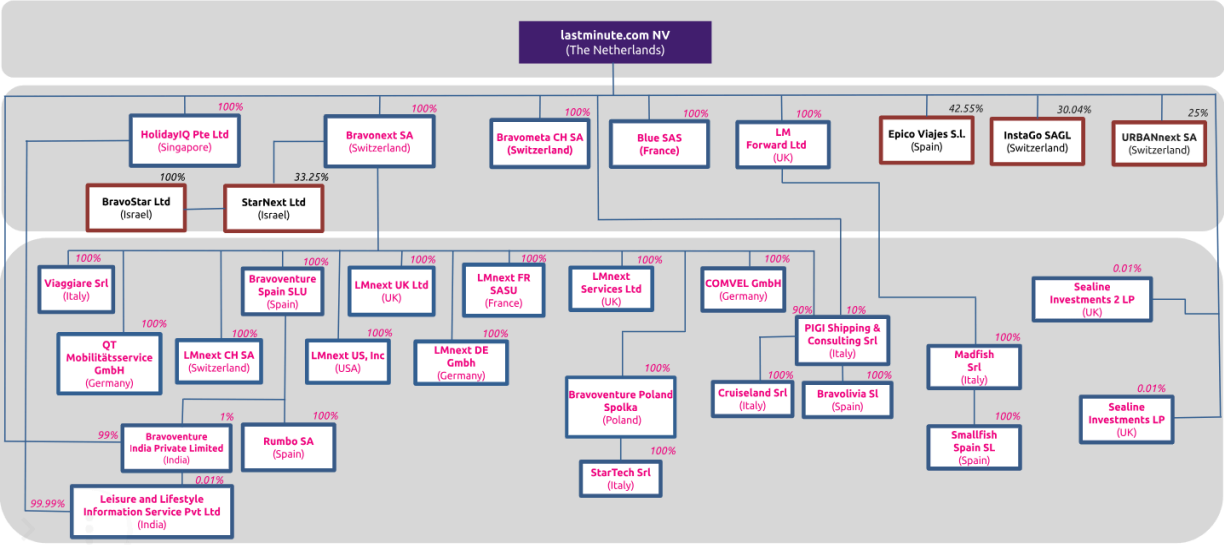
Signed by: Guido Turati
E-Mail: guido.turati@fidinam.ch
Signing time: 27-06-2024 15:41:44
IP address: 164.128.158.228

Annex I - Overview of lastminute.com Group’s legal entities

lastminute.com Structure (April 2024)

Full consolidation

Equity consolidation



This is the legal version of the group Structure. For the consolidation version, please refer to consolidation@lastminute.com.