At Airbus, corporate responsibility is key to our long term success. As a signatory to the United Nations Global Compact, Airbus is committed to promoting its core values in respect of human rights, labour, environmental and anti-corruption practices. Airbus is determined to ensure the highest standards of responsibility throughout its operations, including its supply chain.

As a co-founder of the International Forum on Business Ethical Conduct, IFBEC (see last page), Airbus is supporting the application of global standards for business ethics and compliance. The IFBEC members have established a Model Supplier Code of Conduct which expresses the minimum ethical standards to be applied by suppliers throughout the Aerospace and Defence industries.

Airbus is implementing this Model Code in its entirety and thereby expects full compliance from its suppliers with all applicable laws and regulations of the countries in which operations are managed or services provided. Wherever suppliers are located, all business shall be conducted in a manner compatible with this Supplier Code of Conduct. Suppliers are also expected to cascade these principles through their own supply chain.

In addition, the Airbus Supplier Code of Conduct encourages suppliers to go beyond legal compliance, drawing upon internationally recognised standards, in order to advance in social and environmental responsibility, and business ethics.

**General Disclaimer**

This Supplier Code of Conduct is in no way intended to conflict with or modify the terms and conditions of any existing contract. Unless otherwise stated in such contract, in the event of a conflict, suppliers shall adhere to the contract terms.
Compliance with Laws

Suppliers shall comply with all applicable laws and regulations of the countries in which operations are managed or services provided.

Human Rights

Suppliers are expected to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, and foster an inclusive and ethical culture, in accordance with the relevant International Labour Organisation (ILO) conventions.

A. Child Labour

Suppliers must ensure that illegal child labour is not used in the performance of work. The term “child” refers to any person under the minimum legal age for employment where the work is performed provided the legal age is consistent with the minimum working ages defined by the International Labour Organisation (ILO).

B. Human Trafficking, including Forced or Indentured Labour

Suppliers must adhere to regulations prohibiting human trafficking, and comply with all applicable local laws in the country or countries in which they operate. Suppliers must refrain from violating the rights of others and address any adverse human rights impacts of their operations.

Employment Practices

A. Harassment

Suppliers are expected to ensure that their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment, or other abusive conduct.

B. Non-discrimination

Suppliers are expected to provide equal employment opportunity to employees and applicants for employment without discrimination.

C. Wage and Benefits

Suppliers must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime at such premium rate as is legally required or, in those countries where such laws do not exist, at last equal to their regular hourly payment rate. Deduction from wages as a disciplinary measure should not be permitted.

D. Social dialogue

Suppliers are expected to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

Suppliers are also expected to recognise and respect any rights of workers to exercise lawful rights of free association, including joining or not joining any association of their choosing.
4 Anti-Corruption

A. Anti-Corruption Laws
Suppliers must comply with the anti-corruption laws, directives and regulations that govern operations in the countries in which they do business.

Suppliers are required to refrain from offering or making any improper payments of money or anything of value to government officials, political parties, candidates for public office, or other persons. This includes a prohibition on facilitating payments intended to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance, even in locations where such activity may not violate local law. Personal safety payments are permitted where there is an imminent threat to health or safety.

Suppliers are expected to exert reasonable due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of intermediaries such as agents or consultants.

B. Illegal Payments
Suppliers must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, their agents, representatives or others. The receipt, payment, and/or promise of sums of money or anything of value, directly or indirectly, intended to exert undue influence or improper advantage is prohibited. This prohibition applies even in locations where such activity may not violate local law.

C. Fraud and Deception
Suppliers must not seek to gain any advantage of any kind by acting fraudulently, deceiving people or making false claims, or allow anyone else to do so. This includes defrauding or stealing from the company, a customer or any third party, and any kind of misappropriation of property.

D. Competition and Anti-Trust
Suppliers must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. Suppliers must refrain from participating in a cartel.

E. Gifts/Business Courtesies
Suppliers are expected to compete on the merits of their products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, and that these exchanges do not violate the rules and standards of the recipient’s organisation, and are consistent with reasonable marketplace customs and practices.

F. Insider Trading
Suppliers and their personnel must not use any material or non-publicly disclosed information obtained in the course of their business relationship with Airbus as the basis for trading or for enabling others to trade in the stock or securities of any company.
5 Conflict of Interest

Suppliers are expected to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest. Suppliers are expected to provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of Airbus and personal interests or those of close relatives, friends or associates.

6 Maintain Accurate Records

Suppliers are expected to create accurate records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. All records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. Records should be retained based on the applicable retention requirements.

7 Information Protection

A. Confidential/Proprietary Information

Suppliers shall properly handle sensitive information, including confidential, proprietary, and personal information. Information should not be used for any purpose (e.g. advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorisation from the owner of the information.

B. Intellectual Property

Suppliers must comply with all the applicable laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.

C. Information Security

Suppliers must protect the confidential and proprietary information of others, including personal information, from unauthorised access, destruction, use, modification and disclosure, through appropriate physical and electronic security procedures. Suppliers must comply with applicable data privacy laws.
Environment, Health, and Safety

Suppliers are expected to establish an appropriate management system for Environment, Health and Safety.

Suppliers are further expected to operate in a manner that actively manages risk, conserves natural resources and protects the environment in the communities within which they operate.

Suppliers should protect the health, safety, and the welfare of their employees, contractors, visitors and others who may be affected by their activities.

Finally, as stated in Section I. “Compliance with Laws” of this Code, suppliers shall comply with all applicable environmental, health and workplace safety laws and regulations.

Global Trade Compliance

A. Import

Suppliers must ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import of parts, components, and technical data.

B. Export

Suppliers must ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the export of parts, components, and technical data. Suppliers shall provide truthful and accurate information and obtain export licences and/or consents where necessary.

C. Responsible Sourcing of Minerals

Suppliers must comply with applicable laws and regulations regarding conflict minerals which include tin, tungsten, tantalum and gold. Additionally, suppliers should establish a policy to reasonably assure that the tin, tungsten, tantalum and gold which may be contained in the products they manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. Suppliers should exercise, as may be directed by law, due diligence on the source and chain of custody of these minerals and therefore at a minimum require the same from their next tier suppliers.

D. Counterfeit Parts

Suppliers are expected to develop, implement, and maintain effective methods and processes appropriate to their products to minimise the risk of introducing counterfeit parts and materials into deliverable products. In addition, suppliers shall provide notification to recipients of counterfeit product(s) when warranted, and exclude them from the delivered product.
10 Ethics Programme Expectations

A. Whistleblower Protection

Suppliers are expected to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. Suppliers are also expected to take action to prevent, detect, and correct any retaliatory actions.

B. Consequences for violating the Code

In the event that the expectations of this Code are not met, the business relationship may be reviewed and corrective action pursued subject to the terms of the related procurement contract(s.)

C. Ethics Policies

Commensurate with the size and nature of their business, suppliers are expected to establish management systems to support compliance with laws and regulations, as well as the expectations expressed within this Supplier Code of Conduct. Suppliers are encouraged to implement their own written code of conduct and to flow down their principles to the entities that furnish them with goods and services. Airbus expects its suppliers to maintain effective programmes to encourage their employees to make ethical, values-driven choices in their business dealings - beyond compliance with laws, regulations and contract requirements.
About IFBEC

The International Forum on Business Ethical Conduct (IFBEC) was created by member companies of the Aerospace Industries Association of America (AIA) and the Aerospace and Defence Industries Association of Europe (ASD). It provides an opportunity to exchange information on best practices in the area of ethical business practices and global trends among industry participants. IFBEC members have developed a set of Global Principles of Business Ethics for the Aerospace and Defence Industry, which were endorsed by AIA and ASD. The Forum is open to all companies willing to share business practices for sustainable competitiveness.

The purpose of IFBEC is to promote and foster through the Global Principles the development of global, industry-wide ethical standards for companies that are active in the aerospace or defence business sectors. The IFBEC is also focussed on organising opportunities for industry and relevant stakeholders to exchange information and best practices concerning ethical business challenges, practices and opportunities worldwide.

Global Principles affirm the aerospace and defence industries’ commitment to ethical business behaviour and a uniform set of standards. The Global Principles address business conduct as it relates to zero tolerance of corruption, use of advisors, management of conflicts of interest and respect for proprietary information.

Companies that formally adhere to the principles commit to including programmes and policies that foster ethical business conduct consistent with the Global Principles in their corporate business practices.

For questions or comments about this Code, please contact compliance@airbus.com