

The Supplier R&S Compliance Programme is based on four key elements:

A. CSR-related risk identification and evaluation

All Procurement related risks are embedded into the Company's ERM system. A specific risk category regarding CSR-related risks in the supply chain has been integrated into the ERM system.

The Procurement function supported by the Procurement risk department manage ERM in procurement fields, as well as duly report issues to top management. Along with identification and reporting of CSR-related risks, a proactive supplier risk mapping is being performed in line with international guidance. Such risk mapping results from both a country and a purchasing category approach. The CSR-related risks levels per category of purchase have been analysed and reviewed with the relevant Procurement commodities.

This supplier risk mapping aims to detect areas where procurement activities are exposed to significant potential risks. With those suppliers linked to higher risk activities, specific actions started in 2017 will continue to be implemented in 2018. Such mitigation actions currently include the performance of Supplier Integrity Checks (see previously mentioned part on Ethics & Compliance Supplier Watchtower). New mitigation actions such as supplier evaluation will be implemented following a period of trial phase.

B. R&S in supplier selection and contracting

For the last few years, Procurement standard contracts have evolved to include clauses requiring suppliers to comply with all applicable laws and regulations as well as clauses on specific topics such as environment. In 2018, a more detailed clause on anti-corruption will be incorporated into procurement contract templates to further specify Airbus' requirements in this domain.

Furthermore, Airbus is currently evaluating how to reinforce CSR-related requirements such as those on Human Rights, along the selection and contracting phase with suppliers. During the call for tender phase, results of the CSR-related risk assessment will be used to require further supplier evaluation if deemed necessary.

To enable successful implementation, Airbus will perform training and awareness activities for its buyers in addition to the specific training that already exists in the areas of environment and ethics and compliance.

C. Supplier evaluation and continuous improvement

Supplier CSR-related evaluation assesses the compliance of suppliers with Airbus requirements in these fields and allows the identification and integration into Airbus requirements of potential supplier improvement actions. Airbus is currently defining the options for supplier CSR-related evaluation and audits and how to integrate these activities to existing supplier assessment activities, such as supplier self-evaluation, desktop review or onsite audits. Airbus is also exploring potential solutions for the wider aerospace and defence sector via its participation to sector national associations. Once defined and approved, a trial

phase will be performed with specific sample of suppliers. Clear guidance on how to manage audit results will be integrated into the relevant Procurement processes.

From 2018 onwards, Airbus will strive to implement the above four elements, deploying corresponding targets for each of them. The programme is integrated into Airbus' Procurement strategy and is discussed and reviewed by a Steering Committee composed of the Executive Committee of Procurement.

D. R&S in the Procurement process

Airbus is currently assessing all Procurement processes and tools in order to integrate CSR-related requirements where relevant. This will lead in 2018 to the adaptation of Procurement process documentation managed by the Procurement strategy teams. Key documentation such as the Airbus Supplier Code of Conduct or Supplier Integrity Check application will be embedded into the Procurement tools, such as eProc.

c. Local Socio-Economic Footprint

Airbus recognises the importance of contributing to the development of the communities in which it operates. Airbus was created by establishing a European partnership not only on one aircraft programme but on a long term industrial project. This same spirit of cooperation drives the development of the Company's international footprint. Airbus is a truly global company that acts local. Airbus' approach to community engagement is driven by the willingness to develop a win-win cooperation with the local eco-system and often materialises through partnerships with local NGOs, institutions and other companies.

Local Involvement

Sponsorships and donations are often meaningful ways to have a positive global impact in the communities and society at large. By leveraging its skills, know-how, expertise and passion of its employees, Airbus can bring positive contributions to local communities around its sites. Airbus' directive on sponsorships, donations and memberships provides a Company-wide framework to ensure its local actions are aligned with global strategy, priorities and values. While it naturally supports the local aerospace and defence community, Airbus encourages initiatives around:

- Education and Youth Development (preferably in STEM);
- Corporate citizenship and/or local community engagement;
- Humanitarian and/or Environment;
- Innovation, R&T and Science.

Today Airbus undertakes a large number of sponsorship and donation projects across the globe and contributed to more than 900 initiatives in 58 countries in 2017.

Volunteering at Airbus

In 2017, Airbus mapped the volunteering force of its employees worldwide. Mid-2017, about 5,000 Airbus employees were involved in volunteering for 85 initiatives contributing to the following SDGs:

- SDG 2: Zero Hunger;
- SDG 3: Good Health and Well-being;

- SDG 4: Quality education;
- SDG 5: Gender equality;
- SDG 8: Decent work and economic growth;
- SDG 10: Reduced Inequalities;
- SDG 13: Climate action;
- SDG 15: Life on Land.

Airbus encourages and looks for ways to facilitate its employees' social and environmental initiatives to contribute to societal challenges in the communities around their workplaces.

The Airbus Foundation

"With the Airbus Foundation, we reach out to a large population, inspiring young people and supporting humanitarian missions around the globe. I would like to thank Airbus employees for their passion in serving our communities." Tom Enders, Airbus CEO

Based in Toulouse, the Airbus Foundation has a socio-economic footprint worldwide. Its goal is to support the international aid organisations in regions where the Company operates and beyond. The Airbus Foundation brings products and resources, from relief flights to satellite imagery, to the humanitarian aid community to help alleviate some of the world's most pressing challenges. In parallel, the Foundation invests in communities around the world with the aim of inspiring and encouraging youth development through contact with the aerospace industry.

Through its Humanitarian Flight Programme, the Foundation offers Airbus customers to use the delivery of their new aircraft to contribute to humanitarian efforts. By doing so, the programme helps the humanitarian community reduce its high logistics costs by delivering medical and school supplies, food, water sanitation equipment, toys, clothing and emergency response units to the most vulnerable around the world. The Programme also utilises, where possible, Airbus flight test aircraft for such missions. Since its launch in 2008, Airbus Foundation has coordinated 61 humanitarian flights, delivering approximately 800 tonnes of aid in over 25 countries. In addition, during the very first hours of a crisis, Airbus Helicopters is able to save people from harmful situations as well as support on ground rescuers to assess emergency situations. Since 2012 over 345 helicopters flight hours have been chartered in 11 countries, amounting to €490,000. Over the years the foundation also trained about 700 doctors and rescuers, enabling them to operate the Company's helicopters to ensure the development of Emergency Medical Services around the world. Finally, satellite images can be used to assist humanitarian organisations in the wake of a crisis in a number of ways. In August 2017, a Foundation branded satellite portal was opened, providing free of charge access to satellite imagery to selected partners with whom we have entered into partnerships. Access has been granted to IFRC and is planned for UN WFP and MSF.

Since the launch its youth development activities in 2012, more than 8,000 young people worldwide were involved with the aim to help them prepare for tomorrow's challenges. More than 1,200 Airbus volunteers worldwide supported these inspiring programmes and in doing so have developed their own skills. One of its flagship programmes, the Flying Challenge, focuses on

young people who are at risk of dropping out of the educational system and subsequently missing training and employment opportunities. The programme has been deployed in fourteen Airbus sites across France, Germany, Spain, the UK and the US.

With programmes like the Airbus Foundation Little Engineer and Discovery Space, the Foundation uses aerospace to spark an interest in science, technology, engineering and mathematics (STEM), facilitating the access to STEM skills for thousands of young minds around the world.

For more information, please refer to the latest Airbus Foundation Activity Report, which is available at www.airbus.com.

Development Pact between Airbus and Toulouse

At the local level, on 5 June 2016, Airbus CEO Tom Enders and Jean-Luc Moudenc, President of Toulouse Métropole, signed the economic attractiveness and development pact between Airbus and Toulouse Métropole, strengthening the cooperation that has been in place for nearly 50 years. The goal of the pact is to create the conditions required for maintaining the attractiveness and long-term sustainability of Airbus' sites in Toulouse, and those of its partners, and to favour the development of Toulouse's innovation ecosystem.

Airbus directly employs nearly 28,000 people in the Toulouse area. The commercial aviation site includes the Company's operational headquarters, its design offices and final assembly lines for the A320, A330, A380 and A350, and is the largest industrial site in France with a total surface area of 650 hectares. Every day, more than 41,000 people enter and leave this site.

This activity feeds a network of more than 1,500 suppliers working at every level, temporary staff and customers, and represents more than 50,000 employees. Furthermore, the metropolitan area has secondary education and university opportunities needed for recruitment purposes: vocational baccalaureates, baccalaureate +2-years training courses, engineering degrees and specialised training. The many research laboratories make it possible to establish a number of partnerships in a variety of areas.

As the attractiveness of a region does not concern the economic and technological fields alone, Airbus and Toulouse Métropole are working together on the metropolitan area's attractiveness from the point of view of lifestyle and quality of life, the excellence of its school, universities and medical facilities, the cultural heritage, the quality and variety of cultural amenities and events. For example, Stade Toulousain represents the French Occitanie region where Airbus has been supporting the local community's work-life balance through its sponsorship of the team since 1983. Team spirit, engagement, respect and a taste for challenge: these values unite Airbus and the rugby club Stade Toulousain.

Airbus provides support for the amenities related to scientific, technical and industrial culture such as Aeroscopia, the Cité de l'Espace and the Quai des Savoires.