

Zero Tolerance Approach to Modern Slavery in Supply Chain

Airbus has a zero tolerance approach to modern slavery within its business, its operations and within its supply chain. In June 2017, Airbus published its first public statement on modern slavery as per the requirements of the UK Modern Slavery Act 2015.

Recognising that modern slavery could occur in all areas of its value chain, Airbus has set up a Modern Slavery Steering Group within its UK business. The remit of this cross-functional group is to support and drive Airbus' approach to reducing the risk of modern slavery in its supply chain, and ensure that policy decisions and activities are coordinated, well led and effective.

The Airbus Supplier Code of Conduct includes the requirement to adhere to regulations prohibiting human trafficking and forced or indentured labour. In 2016 and 2017, Airbus held awareness sessions with key people working in its UK Procurement teams on modern slavery. Those sessions included information, guidance and advice on identifying potential risks in the supply chain. More in-depth training sessions took place in 2017 to include key teams in high risk areas, along with on-line training, information bulletins and news articles bringing this important subject to the attention of the wider workforce.

The Airbus "Procurement Academy" provides training on core competences and skills to develop procurement expertise. The Academy has introduced a complete set of common training solutions, covering the full range of supply chain topics, including an external qualification. Additionally, training is offered to suppliers around the world. The Procurement Academy also develops innovative development solutions to prepare Procurement employees to future challenges such as talent development programme, shaping the jobs of the future and connect with the Procurement community on end to end activities.

Promoting Disability Friendly Companies

Since 2011, Airbus in France has been promoting employment of disabled people by its suppliers. Concretely, a specific mention is integrated into all relevant calls for tender launched, requesting bidding suppliers to propose a partnership with a disability friendly company.

At the end of 2016, the global volume of business with disability friendly companies in France was €37 million with an increase of 30% compared to 2015 for the whole of Airbus in France. 51 disability friendly companies are working with Airbus compared to 10 in 2010. An extension of this project to Airbus sites in Spain and Germany is planned based on the same philosophy: create jobs for people with disabilities in specialised companies.

3. Moving forward: Airbus Supplier R&S Compliance Programme: Vigilance Plan

To deliver parts, components, sub-systems or services, quality, reliability and economic efficiency is key to its operations. However, Airbus believes that this should not be at any cost and as such is committed to engage in due diligence actions with its suppliers with regard to issues of Responsibility and Sustainability.

Airbus strives to make sustainability a core element of its procurement process. Airbus has a long established and integrity-driven procurement process which manages relationship with suppliers from strategy, supplier selection, contract management to supplier management. Environmental activities in Procurement have paved the way to integration of wider corporate social activities within the supply chain.

Willing to encourage development of responsible suppliers and manage the potential adverse impacts of its activities as well as to create new opportunities, in 2017 Airbus launched a Supplier R&S Compliance Programme, following international guidance such as the OECD guidance on responsible business conduct. The programme has also been designed to increase supplier awareness in these areas to facilitate suppliers' compliance with applicable regulations requiring risk identification and management related to corporate social responsibility (CSR) including environment, health and safety, human rights and anti-corruption matters.

The Supplier R&S Compliance Programme initiated and defined in 2017 will continue and evolve year on year on the principle of continuous improvement. The Supplier R&S Compliance Programme has been presented to and reviewed by the Procurement Executive Team led by the Airbus Chief Procurement Officer.

The Supplier R&S Compliance Programme and its activities are managed by the Airbus Procurement Compliance department, together with relevant Airbus Procurement stakeholders. To this end, the existing Airbus Procurement environmental network with representatives from the different Procurement categories of purchase has been extended to cover other CSR-related topics. The aim of this network is to ensure that the entire Airbus Procurement community is made aware of CSR-related topics and support the identification of risks according to the category of purchase. The Airbus Procurement R&S network can also support initiating cooperation with suppliers as well promoting industry-recognised practices. Additional governance exists with the R&S, Legal and Ethics & Compliance departments.