

This statement has been published in accordance with the **UK Modern Slavery Act 2015 (MSA)**. It sets out the steps taken by Airbus during the financial year ending 31 December 2017 to prevent modern slavery and human trafficking in its business and supply chain and the proposed actions to support this going forward.

Airbus Modern Slavery Statement

Introduction:

Modern slavery, including servitude, forced labour and human trafficking is a global issue that can affect every country, sector and industry. It represents some of the gravest forms of human rights abuse in society. Airbus has a zero tolerance approach to modern slavery within its business, its operations and within its supply chain.

Airbus SE (together with its subsidiaries and affiliates, 'Airbus' or 'the Company') **welcomes the UK Modern Slavery Act 2015 (MSA)** which has prompted greater focus on the importance of this issue and wider human rights within the Company.

In 2017, Airbus in the UK published its first modern slavery statement relating specifically to the operations of its UK entities: Airbus Operations Ltd, Airbus Helicopters Ltd and Airbus Defence & Space Ltd. However, Airbus believes that its actions on modern slavery should be embedded within the wider Responsibility & Sustainability (R&S) approach across its global business.

Actions on modern slavery will therefore be progressed at Airbus level. By integrating this within the wider Airbus R&S strategy and roadmap, these actions will gain traction across the whole of the Airbus business.

All of the policies and codes referenced within this statement are published on the Airbus website, www.airbus.com.

Further information on Airbus' approach to responsibility and sustainability can be found on www.airbus.com under the Responsible Company section:

www.airbus.com/company/responsibility-sustainability.html



Our Business:

Airbus SE is a global leader in aeronautics, space and related services. In 2017 it generated revenues of €67 billion and employed a workforce of around 129,000. Airbus offers the most comprehensive range of passenger airliners from 100 to more than 600 seats. Airbus is also a European leader providing tanker, combat, transport and mission aircraft, as well as one of the world's leading space companies. In helicopters, Airbus provides the most efficient civil and military rotorcraft solutions worldwide. Whilst Airbus products and services are sold all over the world, the majority of its workforce and supply chain are based in Europe and OECD (Organisation for Economic Cooperation and Development) countries.

Airbus is managed by the Airbus SE Board of Directors and the Executive Committee. Our corporate governance ensures that Airbus is managed according to our regulating laws and Articles of Association, and evolves in order to match our growth ambitions, meet our obligations and reach the goals we set ourselves.

The Company is represented by the **Board** or by the **Chief Executive Officer**. The Board consists of a maximum of 12 members appointed and removed by the shareholders, and is responsible for the management of the Company.

As with other industries operating in such a diverse and global environment, the aerospace and defence business is complex, with a wide range of suppliers, customers and other commercial relationships.

More than 15,000 suppliers from more than 100 countries supply parts, components or sub-systems to Airbus. In 2016, Airbus spent around €49 billion with its suppliers. In the past few years, the supply chain has become concentrated and more international. Such rising concentration is the result of consolidation within the aerospace and defence sector, as well as larger work packages for the major new aircraft programmes being placed with a smaller number of lead suppliers. Airbus has identified global sourcing as one of its leading long-term objectives.

For more information on Airbus' management structure and corporate governance, please refer to the Airbus Registration Document at:

www.airbus.com/content/dam/corporate-topics/financial-and-company-information/AIRBUS_Registration_Document_2017_EV.pdf.

Airbus



129,000
employees



Airbus operates in **170**
locations
worldwide



95%
of its workforce
and supply chain
based in
Europe and
OECD countries



Suppliers in
more than
100
countries



Codes of Conduct:

Wherever it operates, Airbus wishes to **grow its economic success taking into consideration local laws** as well as common principles and standards consistent with International Labour Organisation (ILO) conventions, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the principles laid down by the UN Global Compact. These principles are reflected in the **Airbus Standards of Business Conduct** and in the **International Framework Agreement** jointly signed in 2005 with the European Works Council. Through the International Framework Agreement, Airbus reaffirms its willingness to respect fundamental human rights, equal opportunities, free choice of employment and prohibition of child labour as well as providing conducive conditions for industrial dialogue. The head of each Airbus business is responsible for ensuring compliance with these principles and for taking appropriate measures to ensure their implementation.

The Airbus Standards of Business Conduct are intended to guide daily behaviour and help employees resolve the most common ethical and compliance issues that they may encounter. This key document applies to all employees, officers and directors of Airbus as well as entities under Airbus' control. Third party stakeholders with whom Airbus engages are also expected to adhere to the Standards of Business Conduct in the course of performing work on Airbus' behalf.

The Airbus Supplier Code of Conduct is the document of reference for Airbus' responsible supplier management. This Code represents the group-wide values and principles in line with internationally recognised standards and conventions (such as OECD and ILO). It was developed with the International Forum on Business Ethical Conduct (IFBEC) in 2015 in the form of a Model Supplier Code of Conduct. Airbus is proud to be a co-founder of IFBEC, which supports the application of global standards for business ethics and compliance in the aerospace and defence industries. Airbus implemented the IFBEC Model Supplier Code of Conduct in its entirety as the Airbus Supplier Code of Conduct in 2016.

The Airbus Supplier Code of Conduct, sent to Airbus' largest volume suppliers across the world, expresses the minimum ethical standards that suppliers must comply with and includes specific requirements to adhere to regulations prohibiting human trafficking and forced or indentured labour.

In addition it requires suppliers to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation and expressly expects suppliers 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 cascade these principles to their own suppliers so that they ultimately flow throughout supply chains.

The Airbus Supplier Code of Conduct can be found on www.airbus.com:

www.airbus.com/content/dam/corporate-topics/corporate-social-responsibility/Standards_Airbusgroup_EN.pdf



Enterprise Risk Management:

With regard to risk management, Airbus has performed an in-depth review of its **enterprise risk management (ERM)** system in order to identify potential missing risks including those related to human rights and fundamental freedoms. The ERM system was updated to take into account the most significant potential risks related to these areas that Airbus may generate as part of its operations. The ERM team also **adjusted its procedures** so that these potential new risks and their likely adverse impacts can be duly assessed throughout the Company. For each risk, a **dedicated action plan** is being defined by the responsible team who will monitor its deployment throughout the Company. The potential new risks and related action plans will be consolidated and reported to the top management of the Company.

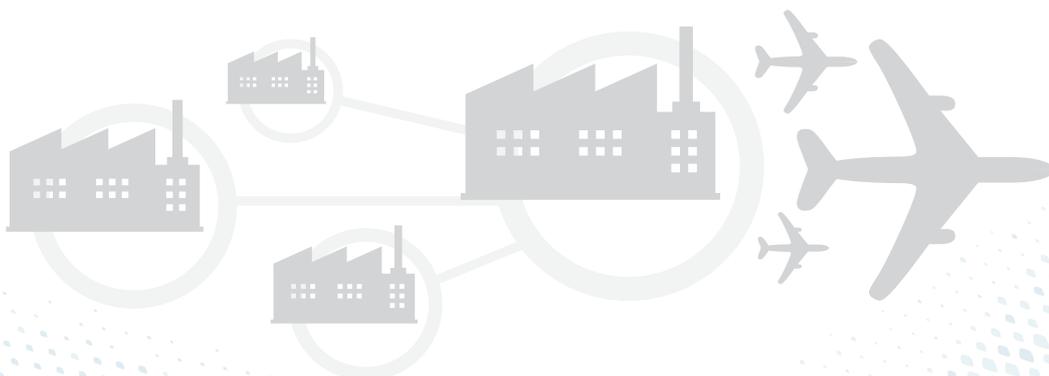
To deliver parts, components, sub-systems or services, quality, reliability and economic efficiency is key to its operations. However, Airbus believes that this should not be at any cost and as such is committed to engage in due diligence actions with its suppliers with regard to issues of R&S including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

Airbus has a long established and integrity-driven procurement process which manages the relationship with suppliers from strategy, supplier selection and contract management to supplier management.

The **Ethics & Compliance Supplier Watchtower** is managed by the Procurement Compliance department and proactively checks specific suppliers for compliance aspects. Suppliers are checked depending on the risks linked to their country of registration. The **risk rating of countries** is defined by the Procurement Compliance department and updated regularly. Criteria comprise export restrictions and R&S related elements such as anti-corruption, human and labour rights. Supplier Integrity Checks investigate compliance concerns which are triggered by certain business relationships. These can include legal investigations or judgements, negative press reports, incidents of corruption, listings on sanction lists/blacklists, proximity to governments or risky entities (shareholders, customers, beneficial owners and subsidiaries). In case a Supplier Integrity Check yields concerns, a Procurement management meeting is held to discuss potential additional due diligence measures and mitigation actions. Around 700 Supplier Integrity Checks were conducted during 2017.

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 global '**Supplier R&S Programme**' which is aligned to international guidance including the OECD guidance on responsible business conduct. This long term project will include mapping of human rights and modern slavery risks within countries and purchasing categories, a review of supplier selection and contracting processes plus recommendations for further actions in respect of, for example, due-diligence and training.

In addition, Airbus is currently **defining the options for supplier R&S related evaluation and audits** and how to integrate these with 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 in sector specific national associations. Once defined and approved, a trial phase will be performed with a specific sample of suppliers. Clear guidance on how to manage audit results **will be integrated** into the relevant Procurement processes.



Raising Awareness:

Airbus wants its employees **to be alert to the issues around modern slavery**. As such, during 2017, Airbus engaged with its workforce on human rights and modern slavery through global communication. This communication, available in four languages to all employees via the Company's intranet site, includes a video message outlining the Company's commitments. This communication also includes information on recognising the signs of modern slavery, how to report concerns both inside and outside the Company (including information on the independent Modern Slavery hotline) and provides the opportunity for employees to provide feedback.

In addition, Airbus has **developed digital learning modules** on Human Rights and Modern Slavery focused on helping employees to 'be informed, be aware and take action'. These modules will form part of the wider Ethics & Compliance catalogue of learning which all employees must undertake to complete at least one module of as part of the annual objective setting process. **Numbers of employees** undertaking the e-learning will be logged and the roll-out supported by internal communication.

Airbus **recognises** that the Standards of Business Conduct cannot address every challenging situation that may arise. Airbus therefore encourages its employees to speak up through various channels, including through **OpenLine** which provides the Company's employees with an avenue for raising concerns in a confidential way. Subject to regulatory approval, Airbus intends for employees to be able to raise their concerns, if any, about violations of human rights and fundamental freedoms. In addition, Airbus' **customers, suppliers and third-party intermediaries** are encouraged to **share any concerns** with Airbus management or with Ethics & Compliance representatives.

Going Forward:

In order to measure the effectiveness of its human rights and modern slavery approach, Airbus will be **undertaking a number of commitments** in the coming years. These commitments will be assessed on an annual basis and include:

- Conducting an in-depth human rights gap analysis;
- Introducing specific training on human rights, including modern slavery, for all key employees within its global business;
- Exploring potential solutions for supplier R&S assessments with the wider aerospace and defence sector via its participation in sector specific national associations.
- Reinforcing R&S related requirements such as those on human rights and modern slavery, along the selection and contracting phase with suppliers; and
- Updating its directive on R&S-related policy requirements applicable to its affiliates for the deployment and monitoring of the policies including the International Framework Agreement, the Supplier Code of Conduct and Standards of Business Conduct.

This Statement has been approved by the Boards of each of Airbus' relevant UK entities: Airbus Operations Ltd, Airbus Defence and Space Ltd and Airbus Helicopters Ltd.

It has been signed by the Chief Executive Officer of Airbus SE who is a member of the Board of Directors of Airbus SE. In addition, it has been signed by key senior stakeholders, namely the Chief Human Resources Officer and Chief Procurement Officer of Airbus SE.



Tom Enders
Chief Executive Officer, Airbus

June 2018



Thierry Baril
Chief Human Resources Officer Airbus
and Airbus Commercial Aircraft

June 2018



Klaus Richter
Chief Procurement Officer Airbus
and Airbus Commercial Aircraft

June 2018

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