

This statement has been published in accordance with the **UK Modern Slavery Act 2015 (MSA)**. It sets out the steps taken by Airbus SE during the financial year ending 31 December 2018 to prevent modern slavery and human trafficking in its business, operations and supply chain and the proposed actions to support this going forward.

Airbus SE Modern Slavery Statement

Year ending
31 December, 2018

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 SE has a zero tolerance approach to all forms of human rights abuse, including modern slavery, within its business, its operations and within its supply chain.

Airbus SE (together with its subsidiaries, "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.

Modern slavery, along with wider human rights, is a topic followed by the Airbus Responsibility and Sustainability (R&S) Network. Actions to address these issues and understand associated risks to its business, operations and supply chain continued during 2018.

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

Further information on the Company's 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 is a global leader in aeronautics, space and related services. In 2018 it generated consolidated revenues of €64 billion.

Airbus offers the most comprehensive range of passenger airliners. The Company 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, the Company 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.

The Company is managed by the Board of Directors and the Executive Committee. The Company's corporate governance ensures that the Company 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 Board of Directors is responsible for the management of the Company and consists of a maximum of 12 members, appointed and removed at the Shareholders' Meeting.

The Board is responsible for the overall conduct of the Company, the management, direction and performance of the Company and its business.

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

www.airbus.com/investors/financial-results-and-annual-reports.html

As a global leader in aeronautics and space, the Company has taken a commitment to conduct its business responsibly and with integrity. Taking into account the level of outsourcing at Airbus, the supply chain is an integral part of Airbus' eco-system and the Company is therefore committed to ensure that, as far as possible within its own scope of responsibility and legal obligations, potential adverse impacts of the Company's activities are managed.

More than 12,000 suppliers from more than 100 countries supply parts, components or sub-systems to Airbus. In 2017, the overall external sourcing volume of Airbus is valued at around €52 billion. 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. To promote the globalisation of its sourcing footprint, an Airbus Global Sourcing Network (GSN) has been established including regional sourcing offices in USA, China and India.

As far as its own operations are concerned, the Company has adopted internal policies and management tools to perform the assessment, monitoring, mitigation, reporting of risk and compliance allegations, which are fully embedded into the Company's culture and processes. At Airbus, heads of programmes and functions, as well as the managing directors of affiliates, supported by respective specialists, shall ensure proper deployment of the Company's policies, managing of Enterprise Risk Management (ERM) in their fields or perimeters as well as duly reporting issues to top management. The Company's approach is thus based on its strengths, namely strong management processes

Airbus



133,671
employees



Airbus operates in **170**
locations
worldwide



90.7%
of workforce
are located in
Europe on more
than 100 sites



Suppliers in
more than
100
countries

already established and adopted by employees; empowerment of specialists; industry approach whenever possible.

As of 31 December 2018, the Company's workforce amounted to 133,671 employees, 95.78% of which consisted of full-time employees. Depending on country and hierarchy level, the average working time is between 35 and 40 hours per week. In terms of nationalities, 36.3% of the Company's employees are from France, 31.5% from Germany and 9% from the UK and 9.9% from Spain. US nationals account for 1.8% of employees. The remaining 11.6% are coming from a total of 136 other countries. In total, 90.7% of the Company's active workforce is located in Europe on more than 100 sites.



Codes of Conduct:

Wherever it operates, the Company wishes to grow its economic success in consideration of common principles and standards consistent with International Labour Organisation (ILO) conventions, the OECD Guidelines for Multinational Enterprises and the principles laid down by the UN Global Compact, which the Company has adopted. The principles are in compliance with the Airbus Standards of Business Conduct and with the International Framework Agreement signed in 2005.

In the **International Framework Agreement**, the Company reaffirms its willingness to respect the regulation regarding fundamental human rights, equal opportunities, free choice of employment, as well as prohibition of child labour and respect and ensuring the conditions for industrial dialogue. The Company in particular intends, via its agreements, to respect the disposition of the following ILO conventions: numbers 111 (discrimination – employee and occupation), 100 (equal remuneration), 135 (workers' representatives), 29 (forced labour), 105 (abolition of forced labour), 182 (child labour), 138 (minimum age), 87 (freedom of association and protection of the right to organise) and 98 (right to organise and collective bargaining).

The head of each business is responsible for ensuring compliance with these principles and will take 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 the Company as well as entities under the Company's control. Third party stakeholders with whom the Company 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 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.

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:

In 2017, Airbus established a working group composed of specialists representing supplier management, health and safety, environmental affairs, labour rights, ethics and compliance, corporate governance as well as risk managers and representatives from the Company's two Divisions.

One of the tasks of the working group was to perform a risk assessment and define concrete actions in order to ensure continuous monitoring of the entire Company and to mitigate principal risks or prevent serious violations.

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. These risks and related action plans are now consolidated and reported to the top management of the Company.

In 2018, the working group focused on leveraging every opportunity to embed R&S elements throughout the Company and including them into internal processes and tools.



Awareness and Training:

The Company continued the roll-out of its e-learning modules focused on helping employees identify the signs of human rights abuse and modern slavery, including raising awareness of what to do if they have concerns. At the end of 2018, 4,972 employees had completed this e-learning, which is available in four languages and forms part of the ethics and compliance catalogue of learning. The Company is also committed to promote awareness through internal communication initiatives and awareness sessions and to train its most impacted employees on potential risks.

In addition to the current training catalogue of over 80 e-learning courses on labour relations, diversity, environmental and health and safety matters, as well as R&S and human rights, the Company is working on specific learning programmes for target groups. One programme targeting all the Company's employees worldwide will focus on increasing general awareness of R&S as well as the Company's commitments outlined in its R&S Charter (see www.airbus.com). The R&S Charter includes a commitment related to human rights.

A second programme will be dedicated to risk-exposed populations, such as directors of subsidiaries and buyers, aimed at developing in-depth understanding of legal requirements with regards to environment, health & safety, human rights, labour relations, anti-corruption within the Company's operations and supply chain and promoting the Company's internal processes to help mitigate potential risks and help prevent violations.

The Airbus Leadership University also took the lead to embed R&S strategy and commitments into the courses it offers in order to ensure the Company's managers are trained and equipped to instil the right behaviours, foster cultural change and encourage the search for innovative solutions to answer societal challenges. In addition, the Company also provides training to its employees on the Airbus Standards of Business Conduct.

Airbus Affiliates:

All Airbus affiliates (affiliates where Airbus owns more than one half of the voting rights, or is able to appoint or discharge more than one half of the members of the board) with operational activities are expected to deploy similar internal policies applying Airbus directives. A corporate directive assists Airbus affiliates in effectively fulfilling their responsibilities while assuring Airbus' ongoing commitment to high standards of corporate governance.

In 2018, Airbus, working closely with its two Divisions, approved one single directive on corporate governance for the Company's affiliates, which defines rules, processes and procedures applicable to Airbus affiliates and their respective boards, directors and officers. Airbus leveraged this in-depth work to integrate enhanced requirements on labour and human rights, environment, health and safety and procurement matters into the new directive on the basis of related Airbus internal policies including:

- International Framework Agreement;
- Agreement on the European Works Council;
- Supplier Code of Conduct;
- Health & Safety Policy;
- Standards of Business Conduct;
- Environmental Policy;
- Airbus Anti-corruption Policy and related Directives.

For its principal minority joint ventures, Airbus will ensure the proper application of its policies or those of its partner.

In 2019, all Airbus affiliates will be asked to evaluate risks via the Airbus ERM system as well as to regularly monitor them as part of their risk assessment process. Airbus endeavours to ensure that the procedures to assess, investigate and manage allegations are well aligned throughout the Company.

For further information please refer to the Airbus SE Registration Document:

www.airbus.com/investors/financial-results-and-annual-reports.html



Responsible Supplier Management:

In 2017 Airbus launched a Supplier R&S Programme, following international guidance such as the OECD guidance on responsible business conduct. The Supplier R&S Programme has been presented to and is regularly reviewed by the Procurement Executive Team led by the Airbus Chief Procurement Officer.

The Supplier R&S Programme and its activities are managed by the Airbus Procurement Ethics & 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 R&S topics. The aim of this network is to ensure that the entire Airbus Procurement community is made aware of R&S-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 corporate R&S, Legal and Ethics & Compliance departments. The Supplier R&S Programme manager is also part of the corporate cross-functional R&S Network.

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

a) R&S-related risk identification and mapping

All Procurement related risks for Airbus commercial aircraft activities are embedded into the Company's ERM system. A specific risk category regarding R&S-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 R&S-related risks, a proactive supplier R&S risk mapping has been performed in line with international guidance. The risk mapping resulted from both a

country risk and a purchasing category approach for human and labour rights and environmental matters. The R&S-related risks levels in the existing supply base require an in-depth analysis and review with the relevant Procurement commodities to agree on the deployment of the relevant internal and external mitigation actions.

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 and implementation continued in 2018. For new suppliers joining the Airbus supply base such mitigation actions currently include the performance of Supplier Integrity Checks and on-site assessments including questions to evaluate maturity on R&S. New mitigation actions in the existing supply base such as dedicated R&S supplier assessments started to be implemented in 2018 in a trial phase with a specialist service provider.

b) R&S in supplier selection and contracting

For the last few years, Procurement standard contracts have evolved to include clauses on specific topics such as environment. In 2018, a more detailed clause on anti-corruption has been incorporated into procurement contract templates to further specify Airbus' requirements in this domain.

Furthermore, Airbus has agreed to reinforce R&S-related requirements such as those on human and labour rights along the selection and contracting phase with suppliers. In 2018, the Supplier Code of Conduct has been integrated as a new R&S annex in Airbus standard contract templates. The implementation will be rolled out according to the contractual roadmap of each purchasing commodity. During the call for tender phase, results of the R&S-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) R&S Supplier evaluation and continuous improvement

Supplier R&S-related evaluation assesses the compliance of suppliers with Airbus requirements in these fields and allows the identification and integration of potential supplier improvement actions. In 2018 Airbus has started the supplier assessment activities in a trial phase with a specialist service provider that assesses social criteria including human and labour rights and environmental performance of 55 potentially critical suppliers in relation to R&S risks. Based on the outcome of the trial phase Airbus will define the long-term solution of regular supplier R&S-related evaluation and audits and its integration in the 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. Clear guidance on how to manage audit results and mitigation actions are being integrated into the relevant Procurement processes.

d) R&S in the Procurement process

Airbus is currently assessing all Procurement processes and tools in order to integrate R&S-related requirements where relevant on top of environmental requirements, which are already largely considered. This will lead over the next years to the adaptation of Procurement process documentation managed by the Procurement strategy teams and set-up of dedicated R&S monitoring tools.

In 2018 Airbus started to implement the above four elements, deploying corresponding targets for each of them. The programme is integrated into Airbus' Procurement strategy and the embodiment of R&S compliance in supplier selection and management across the supply chain was part of the 2018 Procurement priorities for all employees. The R&S activities are discussed and reviewed by a steering committee composed of the Executive Committee of Procurement.



Speaking up:

The Company recognises that the Standards of Business Conduct cannot address every challenging situation that may arise. The Company therefore encourages its employees to speak-up through various channels, including through OpenLine (available at www.airbusopenline.com/).

The OpenLine enables users to submit in good faith an alert securely and confidentially and also to ask all questions related to Ethics and Compliance. In 2018, the Company decided to further improve the accessibility and use of the OpenLine by extending the geographical coverage of the tool, which should allow access to all employees based in the countries where Airbus operates.

The Company also decided to extend the scope of the OpenLine to R&S related topics. Finally, and beyond already existing measures to preserve the confidential use of the OpenLine, users are offered a new option allowing them to remain anonymous, where legally permissible. All of these improvements came into force on 1 January 2019.

The Company does not tolerate retaliation against employees making reports in good faith and/or assisting in investigations of suspected violations of the Standards of Business Conduct.

Going Forward:

Going forward, the following activities will be carried out by the Company in addition to those identified within this Statement:

In light of changing regulatory requirements, Airbus has identified a risk of insufficient awareness of human rights impacts relating to its business and its operations. In response, the Company has decided to launch a programme of work to understand more fully its negative and positive human rights impacts, and to undertake a human rights gap analysis that will consider current and upcoming regulatory requirements, international best practice, the UN Guiding Principles and the UN Global Compact. This work is intended to commence in early 2019. Modern slavery risks will also be covered in the human rights impact and gap analysis.

The Company is committed to promote awareness through internal communication initiatives and awareness sessions and will continue the roll-out of its e-learning modules focused on helping employees identify the signs of human rights abuse and modern slavery, including raising awareness of what to do if they have concerns. In addition, Airbus is committed to train its most impacted employees on potential risks.

During 2018 Airbus started to identify potential KPIs related to human rights which could be used to measure progress. The Company is currently evaluating the availability of data in order to start reporting using these KPIs.

This Statement has been approved by the Airbus SE Board of Directors.

It has been signed by the Chief Executive Officer of Airbus SE who is a member of the Board of Directors.

In addition, it has been signed by key senior stakeholders, namely the Chief Human Resources Officer and Chief Procurement Officer of Airbus SE.



Guillaume Faury
Chief Executive Officer, Airbus SE

29 April 2019



Thierry Baril
Chief Human Resources Officer Airbus
and Airbus Commercial Aircraft

29 April 2019



Klaus Richter
Chief Procurement Officer Airbus
and Airbus Commercial Aircraft

29 April 2019

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