

Airbus SE Modern Slavery Statement

Year Ending
31 December, 2019

This statement has been published in accordance with the UK's 'Modern Slavery Act 2015'. It sets out the steps taken by Airbus SE during the financial year ending 31 December 2019 to prevent modern slavery and human trafficking in its business, operations and supply chain and the proposed actions to support this going forward.

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 (together with its subsidiaries, “the Company”) welcomes the UK’s ‘Modern Slavery Act 2015’ which has prompted greater focus on the importance of this issue and wider human rights within the Company.

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.

Human Rights, including modern slavery, continues to be a focus area for Airbus, and actions to address these issues and understand associated risks to its business, operations and supply chain continued during 2019.



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 sustainability section:

www.airbus.com/company/sustainability.html

Our Structure, Business and Supply Chains

Structure and Business:

The Company has organised its businesses into three operating segments: (i) **Airbus** (formerly Commercial Aircraft), (ii) **Helicopters** and (iii) **Defence and Space**.

With consolidated revenues of €70.5 billion in 2019, the Company is a global leader in aeronautics, space and related services. 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. In 2019, it generated approximately 86% of its total revenues in the civil sector (compared to 84.5% in 2018) and 14% in the defence sector (compared to 15.5% in 2018).

The Company's corporate governance ensures that Airbus SE is managed according to its regulating laws and Articles of Association, and evolves in order to match its growth ambitions, meet its obligations and reach the goals it has set itself.

The Company's top-level governing body is the Board of Directors which consists of a maximum of 12 members. Under the Articles of Association, the Board of Directors is responsible for the overall conduct, management, direction and performance of the Company and its business.

The Board of Directors delegates the day-to-day management to the Chief Executive Officer who fulfils this task with the support of the Executive Committee.

The Company's industrial organisation reflects the end-to-end industrial flow in single-aisle and wide-body value streams respectively. Production flows from the supply chain, through constituent and major assembly through to final assembly in France, Germany, China and the USA. Aircraft are then handed over to programme management for delivery on quality, time and cost to customers. The industrial flow is secured by Quality and enabled by Procurement as well as four transverse functions responsible to provide the skills, standards and services necessary for smooth industrial planning, logistics and transport, integrated manufacturing engineering, eradication of non-quality, and highest operational excellence and sound performance management.

Workforce:

As of 31 December 2019, the Company's workforce amounted to 134,931 employees (compared to 133,671 employees in 2018), 95.54% of which consisted of full-time employees. These statistics take into account consolidation effects and perimeter changes throughout 2019. Depending on country and hierarchy level, the average working time is between 35 and 40 hours per week. In terms of nationalities, 35.6% of the Company's employees are from France, 31.6% from Germany, 8.5% from the UK and 10.1% from Spain. US nationals account for 2.1% of employees. The remaining 12.0% are employees coming from a total of 142 other countries. In total, 90.1% of the Company's active workforce is located in Europe on more than 100 sites.



134,931
employees



Airbus operates in **170**
locations
worldwide



90.1%
of workforce
is located in
Europe on more
than 100 sites



Suppliers in
more than
100
countries

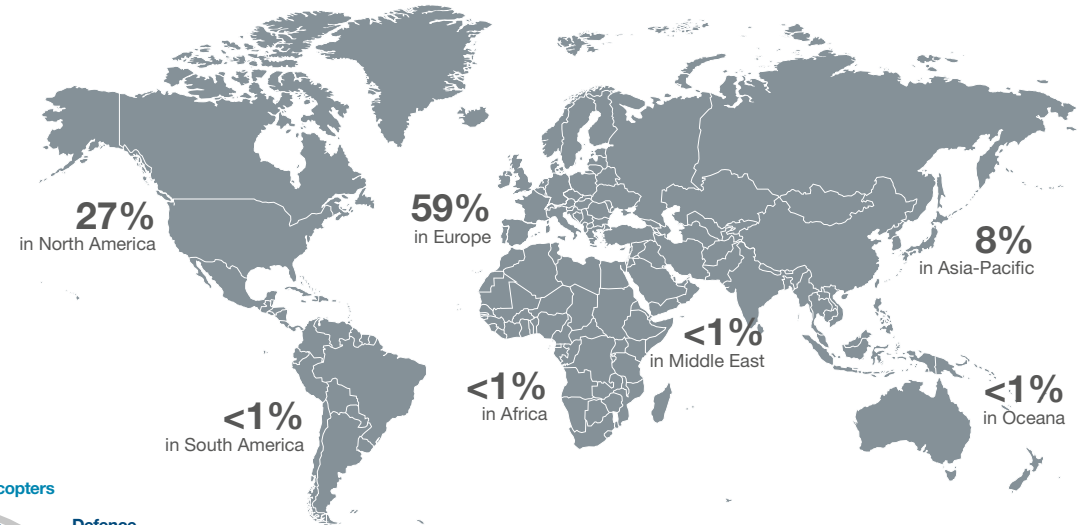


Supply Chain:

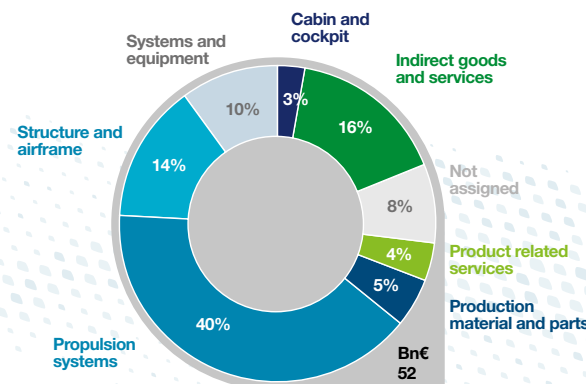
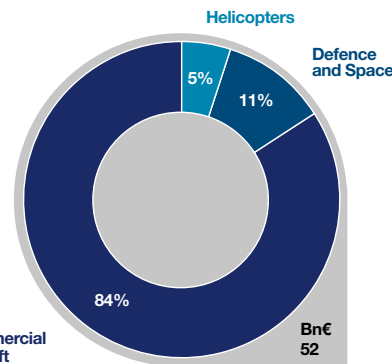
In 2019, responsibility and sustainability (R&S) activities in the supply chain were managed by the Procurement R&S department together with divisional representatives and a network of focal points from the different purchasing commodities. The Head of Procurement R&S department is part of the Procurement Leadership Team. The central Procurement R&S department manages integrity topics and awareness within the Procurement function and deploys the corporate Supplier R&S programme with related supplier due diligence actions. The Supplier R&S Programme Manager is also part of the corporate cross-functional group, the R&S Network.

The Procurement organisation is responsible for both the contractual and operational relationship with the supplier base. Its aim is to ensure that purchased parts and services are delivered at the most competitive conditions, on time, cost and quality. A dedicated Procurement Operations team manages the delivery stream from the supply chain in accordance with the agreed conditions to enable the production flow.

Approximately 24,000 suppliers from more than 100 countries supply parts, components, systems and services to the Company. In 2018, the overall external sourcing volume of the Company was valued at around €52 billion and shared between Divisions and purchasing commodities. See charts, *right*:



Airbus' global sourcing footprint based on Tier 1 and sub-tiers data



Whilst the Company's products and services are sold all over the world, the majority of its supply chain is based in Europe and OECD (Organisation for Economic Co-operation and Development) countries.

However, in the past few years, the supply chain has become concentrated and more international. The Company has identified local sourcing in Asia as one of its leading long-term objectives. In addition, and due to increasing consolidation within the aerospace and defence sector, larger work packages are being placed with a smaller number of lead suppliers.

The Company's global sourcing footprint is represented above based on Tier 1 and sub-tiers data.

Source: PYDAP Procurement Performance & Reporting Services; Airbus Sourcing Report 2018



Our Policies on Modern Slavery

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 **International Framework Agreement (IFA)** signed in 2005.

In the IFA, 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.

The provisions of this framework agreement define the Company's standards to be applied wherever Airbus operates provided they are not in contravention of local law, insofar as more favourable conditions do not exist already. Monitoring will be defined to ensure that the provisions of this agreement are not breached wherever Airbus operates, insofar as more favourable conditions do not exist already.

The Company is in continuous dialogue with social partners on its sites in Europe, principally through meetings with management at the European Committee level but also through meetings and negotiations at national or local level.

Sites outside Europe are covered by Airbus' IFA framing the social dialogue and social culture in line with local labour legislation, culture and practices of respective countries. Regular social dialogue is ensured as per ILO requirements and local legislation thanks to Airbus' Societa Europea Work Council agreement in 2015 and reshaped in 2018.

Industrial relations and social dialogue are fully part of Airbus' DNA and, therefore, its continuous evolution and improvement are embedded in the Company's human resources strategy supporting Airbus' business challenges. Strengthening the role of industrial relations and social dialogue is an enabler of shaping the future of work through workplace cooperation, collective bargaining by enhancing cooperation between employees' representatives and top management.

Airbus Code of Conduct:

The foundation for integrity at Airbus is the Code of Conduct. In 2019, the Company restructured and re-issued the Code, which is intended to guide daily behaviour and help employees resolve the most common ethical and compliance issues that they may encounter. The Code of Conduct is available in ten different languages and applies to all employees, officers and directors of the Company as well as entities that the Company controls. Third-party stakeholders with whom the Company engages are also expected to adhere to the Code of Conduct in the course of performing work on Airbus' behalf.

Airbus Code of Conduct is available [here](https://www.airbus.com/company/ethics-compliance.html).

<https://www.airbus.com/company/ethics-compliance.html>

Supplier Code of Conduct:

The Company strives to make environmental and societal responsibility a core element of its procurement process, managing the relationships with suppliers through sourcing strategy, supplier selection, contract management, supplier monitoring and development.

The Company's suppliers must comply with all applicable laws and regulations of the countries in which operations are managed or services provided. In addition, wherever suppliers are located, all business should be conducted in compliance with the Airbus Supplier Code of Conduct.

The Airbus Supplier Code of Conduct is available in four different languages and is the document of reference for Airbus' responsible supplier management.

This Supplier Code represents the group-wide values and principles in line with internationally recognised standards and conventions (such as OECD and ILO). It is built on the model of the International Forum on Business Ethical Conduct.

Supplier Code of Conduct is available [here](https://www.airbus.com/be-an-airbus-supplier.html).

<https://www.airbus.com/be-an-airbus-supplier.html>



The Supplier R&S Programme:

In response to legislative developments and new regulatory requirements, Airbus launched in 2017 the Supplier R&S programme, a transverse governance structure for environmental, human rights, health and safety issues. It is based on the following key elements and principles of due diligence following the OECD framework on responsible business conduct:

- Supply base risk mapping
- Supplier assessment/audits and development plans
- Supplier engagement and contractual requirements
- Policies, tools and reporting

The Company's standard procurement contract templates have evolved over the last few years to reinforce R&S related clauses that require suppliers to:

- Comply with all applicable laws and regulations relating to production, products and services;
- Provide information on substances used in manufacturing processes and contained in the product itself;
- Provide information on environmental, health and safety matters such as safe usage and management of products across its lifecycle (including waste management);
- Implement an Environmental Management System based on ISO 14001 or equivalent;
- Comply with the Company's anti-corruption and bribery requirements; and
- Comply with the Airbus Supplier Code of Conduct, including with regard to environment, human rights, labour practices, responsible sourcing of minerals and anti-corruption.

In 2019, the full scope of clauses were included in new contracts by default and the implementation in existing contracts has started according to the contractual roadmap of each purchasing commodity.

The Company 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 & tools managed by the Procurement strategy teams and creation of specific guidelines and/or commodity awareness.



Risk Assessment

During 2019, the Company undertook a human rights impact and gap analysis across its global business to understand more fully its positive and potential negative human rights impacts. This analysis, conducted with the help of external consultants, considered current and upcoming regulatory requirements and international best practice as well as growing human rights requirements linked to the UN Guiding Principles for Business and Human Rights (UNGPs) within standards such as the UN Global Compact.

The analysis also included an initial identification of Airbus' salient areas of potential human rights risks (see box with impacted groups in parenthesis). This identification was based on benchmarking of industry peers and companies in similar industries and analysis of stakeholder expectations. As they are subject to change over time, Airbus is committed to review these issue areas on a regular basis. Specific action plans based on these identified potential risks, as well as key recommendations from the analysis, are currently under consideration.

Salient areas of potential human rights risks:

- Impact of products and services on the right to life and liberty (passengers and citizens)
- Privacy (individuals and their personal data)
- Impact of climate change on livelihoods (climate vulnerable communities)
- Forced and child labour (contractors and supply chains)
- Diverse and inclusive workplaces (Airbus workforce and contractors)

Supply Base Risk Mapping:

Since 2018, the Procurement R&S department has performed a proactive social risk mapping in line with international guidance, internal commodity expertise and externally available country indices. The risk mapping resulted from both a country risk and a purchasing category perspective considering indices like child labour, modern slavery/forced labour, recruitment practices, working time, wages, people safety at work and freedom of association.

In 2019, the methodology has been formalised and published in an internal commodity guide and applied to the entire Company. The Company's direct procurement-related risks are embedded into the Company's Enterprise Risk Management system. A specific risk category regarding R&S-related risks in the supply chain has been integrated into the risk management plan. This category relates to the possibility that the Company may not obtain sufficient visibility and information from its supply chain in regards to compliance with environmental, human rights, health and safety laws and regulations and a supplier's adaptation of international sustainable development goals.

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;
- Airbus Code of Conduct;
- Environmental Policy; and
- Airbus Anti-corruption Policy and related Directives.



Effectiveness in Tackling Modern Slavery

Grievance Mechanism:

Airbus is committed to maintaining a “Speak Up” culture by promoting an open and trusting dialogue with employees at all levels.

All employees are encouraged to express their views, defend their opinions, and point out unacceptable behaviour - especially behaviour that violates the Airbus Code of Conduct.

Employees can raise concerns to their line manager, their Human Resources Business Partner, to a Legal & Compliance representative, or through the Airbus “OpenLine”.

Since 2019, the Airbus OpenLine is available to external stakeholders, such as suppliers and their employees, as a secure and confidential channel through which they may, on a voluntary basis, raise alerts related to Airbus in the areas of bribery, human rights, environment and health and safety. This medium is available through the [Airbus OpenLine](http://www.airbusopenline.com) website (www.airbusopenline.com) in 13 languages.

The Company protects those who speak up and raise concerns appropriately and in good faith. The Company does not retaliate against anyone who raises a concern, or against those who assist in investigations of suspected violations.

Airbus takes seriously its responsibility to investigate potential instances of misconduct, whether detected in the normal course of business, via the Airbus OpenLine or from any other source.

Airbus has developed a dedicated investigations procedure to ensure that these investigations are conducted in a consistent and professional manner in accordance with company standards and relevant laws.

Investigations are closely monitored by the investigation team to ensure a timely resolution and documentation of the investigative work performed.

In the event a misconduct is confirmed, Airbus considers not only appropriate disciplinary action for the employees involved, but also engages in a root cause analysis of the misconduct.

Supply Chain:

In 2019, the Company worked with external expert companies for the performance of R&S related desktop assessments and specific on-site audits. The assessments cover social compliance criteria such as human rights, labour practices, health and safety and anti-corruption as well as environmental regulations and sustainability criteria based on the environmental questionnaire developed by the International Aerospace Environmental Group.

All business relevant external risk suppliers are eligible to an R&S assessment by an external expert company. By end of January 2020, the Company had launched approximately 55% of such assessments.

In October 2019, the Company joined the Responsible Business Alliance’s Responsible Mineral Initiative (RMI), in order to further enforce activities of responsible sourcing while applying industry standards for supplier due diligence and data management in accordance with the OECD framework.

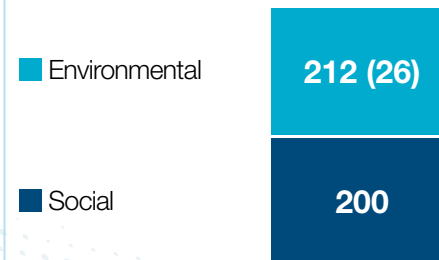
Related to supplier factory visits for the commercial aircraft activities of Airbus, the ‘Gemba Walk’ pocketbook is a practical and visual guideline for Airbus employees visiting a supplier’s shop floor, which supports the identification and reporting of risks or improvement opportunities observed during factory visits. A dedicated pocketbook on environment, health & safety and human rights risks has been developed in 2019 and published on the Airbus intranet.

KPIs:

During 2019, Airbus started to identify potential KPIs related to human rights which could be used to measure progress. The following annual KPIs have been identified and will be reviewed on a regular basis:

- Number (or %) of assessments of Airbus’ business relevant external risk suppliers (target to be determined in 2020);
- Number of due-diligence assessments carried out on Airbus sites, including subsidiaries and affiliates (target to be determined in 2020);
- Number of human rights concerns linked to modern slavery/fundamental freedoms reported via OpenLine and escalated for further investigation (0 in 2019);
- Number of participants who have completed e-learning modules on human rights and modern slavery (3,400 completed in 2019 – 8,372 in total to date).

Number of business-relevant risk suppliers identified in 2019 (thereof lower tiers)



Source: PYDAP Procurement Performance & Reporting Services; Airbus Sourcing Report 2018



Training and Capacity Building

To continuously drive improvements, the Company offers employees over 100 training opportunities, online and in person, linked to labour relations, diversity, environmental and health and safety matters, as well as R&S and human rights. It continues to deploy programmes for specific target groups.

One programme, targeting all employees worldwide, focuses on increasing general awareness on R&S.

A second programme is dedicated to risk-exposed populations, such as buyers and key leaders of affiliates (including managing directors and heads of finance or board members of affiliates). It aims 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.

In addition, the Company also provides training to its employees, including those of affiliates, on the recently updated Airbus Code of Conduct.

All Airbus employees are required to undergo a minimum amount of compliance training via e-learning. Additionally, depending on the function, the country and the level of risk implied by their role, some employees may be selected to attend face-to-face training as well. Attendance in such cases is mandatory, and managers have a responsibility to ensure that their team members do so.

During 2019 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 2019, 8,372 participants 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.

Throughout 2019, the Procurement R&S department supported both internal awareness sessions and workshops as well as external supplier meetings on R&S in the supply chain. The Company's internal Procurement Academy provides training on core competences and skills to develop procurement expertise and prepare employees within the Procurement department for the challenges of the future. R&S modules are embedded in Procurement's newcomer induction path and manager development programme.

Specific R&S training modules and solutions will be developed for both internal use and awareness in purchasing commodities and some specifically to be made available to suppliers through the supplier portal and online.



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
28 April 2020

Thierry Baril
Chief Human Resources Officer
28 April 2020

François Mery
Chief Procurement Officer
28 April 2020