UN Sustainable Development Goals

Airbus has been a signatory to the UN Global Compact since 2003 and has reached "Advanced Level".

The Company adopted the UN SDGs in December 2015 as a framework to align its responsible and sustainable contributions. Over 2016, the Company performed a mapping of its contributions based on its publicly available information which demonstrated that at least eight of the 17 SDG goals are directly relevant to the Company's businesses. Combined with stakeholders' feedback, it was confirmed that the Company is actively contributing to:
– SDG 4: Quality education;
– SDG 5: Gender equality;
– SDG 8: Decent work and economic growth;
– SDG 9: Industry, innovation and infrastructure;
– SDG 12: Responsible consumption and production;
– SDG 13: Climate action;
– SDG 16: Peace, justice and strong institutions; and
– SDG 17: Partnerships for the goals.

This framework also drives the direction of innovation initiatives. As an example, all projects and start-ups selected by the Company's in-house business accelerator, Bizlab, must now demonstrate a strong contribution to one of the SDGs as a pre-condition.

Airbus' Way Forward: Vigilance Plan

The Company is determined to conduct its business responsibly and with integrity. The Company is convinced that promoting responsible business conduct within its value chain is key to sustainable growth. A dedicated programme has been launched by the Procurement function in order to monitor the Company's suppliers. For more information on the programme and its implementation, including the Company's vigilance plan for suppliers, see "— 1.2.3(b) Responsible Suppliers".

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 managing Directors of affiliates, supported by respective specialists, shall ensure proper deployment of the Company's policies, management of Enterprise Risk Management in their fields or perimeters as well as duly reporting issues to top management. The Company's approach is thus based on its existing strengths, namely strong management process already established and adopted by employees; empowerment of specialists and an industry approach whenever possible.

With regard to risk management, Airbus performed an in-depth review of its ERM system in order to identify potential missing risks related to human rights and fundamental freedoms, health and safety and the environment in 2017. The ERM system was updated to take into account the most significant potential risks related to these areas that the Company may generate as part of its operations. In 2019, these risks and related action plans were consolidated and are reported to the Company's top management on a regular basis. For more information on ERM, see "— Corporate Governance — 4.1.3 Enterprise Risk Management System". For more information on the Company's risks, see "— Risk Factors".

To support our commitment to and promotion of a "Speak-Up" culture, the Company has an "OpenLine" to provide employees with an avenue for raising concerns in a confidential way. In 2018, the Company decided to extend the scope to responsibility and sustainability related topics. For more information on the OpenLine, see "– 1.2.3(a) Ethical Business Practices".

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 target groups. One programme targeting all employees worldwide focuses on increasing general awareness on R&S as well as on the Company's commitments as outlined in the Charter. 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. The Airbus Leadership University 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. For example, the Company launched the day-long "Ethical and Responsible Leadership" MasterClass targeting its Executives in the fall of 2019. As part of the Company's talent development programme, it offers developing leaders an eight-day, four-module course called "Purpose and Values Driven Leaders". In addition, the Company also provides training to its employees, including those of affiliates, on the recently updated **Airbus Code of Conduct**.

CEO Guillaume Faury released the new Airbus Code of Conduct on 2 July 2019. Company-wide communications around the new Code of Conduct demonstrate strong tone at the top. They include: message to all Airbus employees, dedicated article on the HUB, Team Talk communicated to all Airbus Executives, dedicated webinars for the Ethics & Compliance representatives community, e-learning available in four languages. The Code of Conduct was also communicated to 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 (formerly Standards of Business Conduct);
– Environmental Policy; and
– Airbus Anti-corruption Policy and related Directives.

Since September 2018, this directive has become a reference for all affiliates from all Divisions, and the Company is working on a yearly update to constantly improve it. Based on the directive, a newly harmonised questionnaire was sent to all affiliates in 2019 to self-assess their internal controls, including how they relate to the environment, health & safety, human resources and procurement compliance requirements. Regarding the above activities, affiliates were asked to confirm that all relevant Airbus policies were accessible to their employees and duly communicated to them. If that is not the case, affiliates shall take appropriate actions to remediate the gaps.

To verify that the answers provided to the questionnaire are in line with the Company's expectations, so-called "Fit" checks started to be performed in 2018 on some Finance, Compliance and Governance key controls for affiliates of the Company and its two Divisions. From 20 Fit checks performed in 2018, the Company increased to 70 in 2019 and aims to reach 100 Fit checks in 2020.

Since 2019, affiliates are also asked to regularly evaluate risks *via* the Company's ERM system, as well as to regularly monitor them as part of their risk assessment process. The Company endeavours to ensure that the procedures to assess, investigate and manage allegations are well aligned throughout the Company.

Each affiliate with operational activities has in place a Board of Directors and/or a shareholders' meeting where strategic decisions are made. Each affiliate has an Airbus supervisor who is a Member or Chairman of the Board who ensures that all Airbus requirements are considered by the affiliate's management. At least once a year the agenda of the board will include an update on Ethics and Compliance matters (including training, awareness and any other relevant issues).

For its principal and operational minority joint ventures, the Company will work with the joint-venture partners to ensure the proper application of relevant compliance and R&S policies.

For more information on the Company's approach to the environment, see "— 1.2.2(b) Environment". For more information on the Company's approach to human rights and health and safety, see " — 1.2.4(b) Human Capital Management, Labour Relations and Human Rights" and "— 1.2.4(c) Health & Safety".

1.2.2 Responsible Company

a. Aviation and Product Safety

I. Introduction

At Airbus, we believe that everyone in our industry has a role to play to further enhance the safety of the air transport system. Flying today is safer than ever before, and collective efforts continue to ensure it will be even safer by anticipating and responding to risks, threats and challenges. Whilst the foundations of safety are built on regulatory compliance, the Company goes beyond airworthiness requirements to also focus on safety enhancement activities in products and services.

II. Governance

A dedicated safety organisation within the Company acts as an independent voice of safety. The Chief Product Safety Officer for the commercial aircraft activities of the Company reports directly to the CEO and is the Chairman of the Product Safety Board (PSB). Several Executive Committee Members and senior executives are part of the PSB to ensure proactive safety decision making is based on multidisciplinary assessments at the highest decision level of the Company. The PSB does not only make decisions regarding technical aspects but also safety governance, strategy and performance aspects.

Airbus Safety Management System

Consistent with ICAO Annex 19, the Airbus Corporate Safety Management System (SMS) is based on the four ICAO pillars of safety policy and objectives, safety risk management, safety assurance and safety promotion. The Airbus Corporate SMS principles also integrate the end-to-end approach to safety with the Company's suppliers and operators. This is facilitated by an appointed Corporate SMS Officer and SMS officers per function with support from a network of nominated SMS Representatives throughout the Company.

Airbus Plan for Aviation Safety

The Airbus Plan for Aviation Safety (APAS) defines the Company's safety strategy by identifying the top safety threats or opportunities and providing their associated key safety objectives for the safe operation of Airbus aircraft. APAS is a five-year projection, which is reviewed and updated annually. APAS is a response to EASA's annual European Plan for Aviation Safety.

Regulatory Compliance

Product certifications are provided by the competent aviation authorities including the main civil aviation authorities and specific military authorities. Within each Division, and according to their respective functions, the Company works to ensure compliance through design and certification of products under EASA Part 21 Design Organisation Approvals (DOA); ECSS-Q ST-40-C for (Space Products) and Def-Stan 00-56 (Defence Products); manufacturing under Production Organisation Approvals (POA); monitoring of in-service safety through approved EASA Part-M Continuing Airworthiness Management Organisations (CAMO); aircraft maintenance and retrofit operations conducted in line with civil and military EASA Part 145 regulations; and training provided to flight crews, cabin crews and maintenance crews through EASA Part 147 Approved Training Organisations (ATO).

The certified organisations within the Company where specific approvals are granted by the aviation authorities, are audited and monitored by these authorities to ensure full compliance to regulatory requirements. Additional audits are also conducted by third parties as part of the quality certifications appropriate to each Division, including EN9100, EN9001, EN9110, AQAP 2110, AQAP 2210 and AQAP 2310.