

DUTY OF VIGILANCE

2019 REPORT

This document falls within the framework set by Articles L. 225-102-4 and L. 225-102-5 of the French Commercial Code resulting from law no. 2017-399 of March 27, 2017 relating to the duty of vigilance for parent companies and contracting companies.

The Group, of which ArianeGroup Holding is the top holding entity, meets the criteria defined by law for the establishment of a vigilance plan. In this regard, together with its subsidiaries, ArianeGroup Holding has initiated actions designed to identify risks and prevent serious impacts on human rights, fundamental freedoms, health, safety and the environment resulting from the Group's activity, including relations with subcontractors and suppliers, with a view to establishing a vigilance plan.

This report reflects the Group's policy on matters covered by the law of March 27, 2017, the actions carried out during the 2019 financial year and scheduled objectives for the future. It forms an integral part of ArianeGroup Holding's management report for the year ending on 12/31/2019. After submission to the Company's Board of Directors, this report is published on the Group's website.

TABLE OF CONTENTS

1. ACTIVITY	2
1.1. GENERAL PRESENTATION	2
1.2. BUSINESS AREAS	2
2. METHODOLOGY	4
2.1. CROSS-DEPARTMENTAL COMMITTEE	4
2.2. RISK MAPPING	4
2.3. INTERNAL CONTROL AND AUDIT	6
3. ACTIONS	6
3.1. ETHICS CHARTER	6
3.2. RESPONSIBLE PURCHASING	6
3.3. HEALTH, SAFETY AND ENVIRONNEMENT (HSE) POLICY	7
3.4. ENERGY POLICY	9
3.5. ECO-DESIGN	10
3.6. HUMAN RESSOURCES	10
3.7. PROTECTION OF PRIVACY AND PERSONAL DATA	13
3.8. COLLECTION AND PROCESSING OF REPORTS	13
GLOSSARY	14
APPENDIX – GROUP BUSINESS	15

1. ACTIVITY

1.1. GENERAL PRESENTATION

ArianeGroup¹, initially called Airbus Safran Launchers, was founded in 2015 by the ambition of the Airbus and Safran Groups to restructure European governance of space launchers, and became an integrated company on July 1, 2016.

ArianeGroup's activities and those of its Subsidiaries are summarized in Appendix 2. The Group has a headcount of about 9,000 employees, mainly based in France and Germany.

ArianeGroup is lead contractor for Europe's Ariane launchers, as well as for the missiles of the French oceanic deterrent force. Its activities cover the entire life cycle of a space launcher, from design to development, production, operation and marketing, through its subsidiary Arianespace. ArianeGroup produces and operates the Ariane 5 launcher and develops the future Ariane 6 launcher, for which it is the design authority. ArianeGroup and its Subsidiaries design innovative, highly competitive solutions for civil and military launch systems and space applications for their institutional, commercial and industrial customers. The Group is thus expert in the most cutting-edge technologies, from all aspects of complete propulsion systems, right down to the items of equipment and materials.

The space industry is a strategic and technical sector serving demanding customers. To satisfy them, ArianeGroup applies the principle of continuous improvement focused on innovation. Quality is a state of mind rooted in the company culture. This drives ArianeGroup to constantly re-assess its processes in order to continually improve its products and methods, and thus boost both efficiency and simplicity. The quality level of its products is one of the keys to ArianeGroup's long-term competitiveness. Obtaining the ISO 9001, EN 9100, AQAP2110 and ISO/TS 16949 certifications illustrates ArianeGroup's commitment to quality and its quest for excellence.

Against this background, ensuring end-to-end quality throughout the supply chain is an imperative intrinsic to the safety and reliability of space systems and applications. For ArianeGroup, the contribution of its partners and suppliers is an essential factor in the collective success of the space industry: their selection is based not only on their technical competence but also on the espousal of the fundamental values of the company set out in the Ethics Charter that they also adopt.

1.2. BUSINESS AREAS

ArianeGroup's business consists of three main areas:

1.2.1. SPACE LAUNCH



© ESA-CNES-AE / CSG Service Optique

Ariane 5 is the epitome of European space expertise.

As the lead contractor for the development, production and operation of the Ariane 5 and Ariane 6 launchers, ArianeGroup coordinates an industrial network of more than 600 companies in 13 European countries, including 350 SMEs. ArianeGroup supervises all the industrial activities related to Ariane 5, from engineering and performance enhancements, to production, the supply of data and the software specific to each mission. This chain includes equipment and structures, manufacturing the engines, and integration of the different stages and of the complete launcher in French Guiana. ArianeGroup delivers a flight-ready launcher to the launch pad of its subsidiary Arianespace, which

¹ For capitalized terms used in this report refer to the Glossary in the Appendix.

operates the launches and flights on behalf of its customers.

Ariane 5. Ariane celebrated its 40th anniversary in 2019, after 250 launches since 1979. At every one of the 106 Ariane 5 launches between 1996 and 2019, Ariane continuously improved its efficiency, power, payload capability, and competitive performance in response to the demands of the worldwide space market and as a contribution to the European space venture. To this day, it remains the most reliable commercial launcher in the world.

Ariane 6. The European Space Agency (ESA) Ariane 6 program is a family of launchers designed to offer maximum flexibility for customers on the institutional and commercial markets, by its capacity to place any type of payload in an optimized orbit, whatever the mission. With its very large under-fairing volume, Ariane 6 ensures both conventional launches, for single or dual payloads, and complex missions corresponding to the new market needs, such as the orbiting of electrically-powered satellites or the multiple launch of satellite constellations, thanks to its upper stage equipped with the re-ignitable Vinci® engine.

The launcher comes in two versions, depending on the mission (A64 or A62). The industrial organization set up to produce Ariane 6 is designed for maximum efficiency over the entire production cycle, through to delivery on the launch zone where, for greater flexibility, the payload is assembled on the launcher. The creation of clusters of excellence at the European level makes it possible to work with industrial partners in the spirit of an extended enterprise, in order to standardize methods and tools at the launcher level.

The introduction of new industrial processes and innovative manufacturing technologies (3D printing, friction stir welding, laser surface treatment, etc.), combined with a state-of-the-art Product Lifecycle Management system, help optimize mass production.

The Arianespace Subsidiary guarantees access to launch services and solutions to all orbits, for institutional and commercial satellites. These satellites are used for all types of space applications, such as telecommunications, navigation, science, Earth observation, technological demonstrations, etc.

Arianespace offers high-performance space transportation solutions, according to the needs of its customers: the Ariane 5 and Ariane 6 heavy-lift launchers, the Soyuz medium-lift launcher and the Vega and Vega C light-lift launchers.

1.2.2. DEFENCE

Prime contractor for the M51 program for the French Directorate General of Armaments (DGA) on behalf of the French Navy's Strategic Oceanic Force (FOST), ArianeGroup brings together the expertise of more than 900 French industrial companies with a dual objective: a constant quest for the highest level of performance, and national independence. Its responsibility includes upstream research, the design, development and production of missiles, their ground-based implementation systems and the control and command systems onboard submarines. ArianeGroup also ensures the Through Life Support (TLS) of the systems and dismantling at the end of their service lives.



The M51 missile is a crucial element in the French sea-going nuclear deterrent force.

© ArianeGroup Holding – Direction Générale de l'Armement

1.2.3. EQUIPMENT AND SERVICES

Equipment for satellites and space vehicles. A specialist in pyrotechnics for launchers and satellites, and a specialist in space instrumentation and optical, optronic and neutronic equipment for civil and military applications, the Group is also the European leader in igniters for spacecraft engines. It complements its offering with a range of products for scientific, Earth observation and telecommunications satellites (compact antennas, antenna reflectors, etc.).

Launcher and orbital propulsion. The Group masters all the requisite skills, from the development to the manufacturing of launch

systems using liquid or solid propulsion systems. Whether the mission requires liquid propulsion, provided by the Vulcain®2, Vinci® or HM7B engines, or solid propulsion, provided by the MPS and P120 engines, ArianeGroup's vocation as an engine manufacturer is backed by 50 years of expertise.

With regard to chemical or electrical propulsion systems for satellites or space systems, the Group has a complete range of systems, subsystems and products capable of providing propulsion solutions for all types of missions, of any size, including manned flights. The Group's skills and products meet the needs of many international customers in the launcher or satellite sectors.

Security and defense. With its experience as prime contractor for large and complex programs, ArianeGroup offers studies and turnkey supplies for complex infrastructures, from assembly, integration and satellite testing centers, to space monitoring centers, launch pads, or infrastructures for the research, production, storage, destruction or dismantling of dangerous products.

ArianeGroup also provides solutions for space surveillance and security, anti-missile defense systems, and performance analyses of existing systems or those under development.



© ArianeGroup/Hervé Goussé – Master Films

Ultra-light satellite antenna reflector.

2. METHODOLOGY

2.1. CROSS-DEPARTMENTAL COMMITTEE

Under the auspices of the General Secretary, a member of the Executive Committee of ArianeGroup and the President of ArianeGroup SAS, this report has been prepared by a cross-departmental committee involving the functions² which, within the Group, deal with topics related to corporate social responsibility (CSR), risk management and internal control.

Afin In order to account for the vigilance measures implemented, the Committee first identified the procedures relating to: (i) risk analysis, (ii) assessment of sites, Subsidiaries, suppliers and subcontractors, (iii) risk mitigation and other measures to prevent serious impacts, and (iv) existing monitoring mechanisms both within ArianeGroup and within its Subsidiaries.

The Committee drew on the analyses of the CSR working group, and in particular the ArianeGroup materiality analysis conducted in 2018-2019 and on the action plans implemented under the Group's CSR policy. This policy has been established in conjunction with stakeholders (employees, shareholders, customers, suppliers, space agencies, sectoral organizations, stakeholders from civil society and academia, etc.) and as part of multi-stakeholder initiatives within the aerospace industry: the GIFAS (*Groupement des Industries Françaises Aéronautiques et Spatiales*) working group on duty of vigilance, the CNES working group on circular economy and the ESA CSR working group.

The work on the analysis of ArianeGroup's duty of vigilance in the Subsidiaries is coordinated by the personnel responsible for compliance.

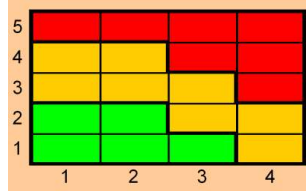
2.2. RISK MAPPING

Since its creation, ArianeGroup has built on the know-how of its shareholders, Airbus and

² In particular, the following functions are represented: Audit, Communications, Design Engineering and Programs, Ethics and Compliance, Finance, Health, Safety and Environment (HSE), Human Resources, Legal, Procurement, and Sites).

Safran, to develop processes to identify and prioritize the potential risks related to its activities.

Every year, ArianeGroup establishes a **comprehensive risk map** covering the Group's



activities. The Enterprise Risk Management (ERM) and Internal Control department within the Finance Department is responsible for supervising risk management and mapping. The methodology for identifying, assessing and prioritizing risks is defined in a procedure applicable at Group level. Each identified risk is prioritized according to its probability of occurrence and its impact with respect to the Group's personnel, sales, finance, reputation and know-how. Once the criticality of each risk has been assessed, actions to reduce its probability and/or impact are defined. That mapping and the risk reduction strategy are presented twice a year to the ArianeGroup Executive Committee. The risks relating to the Group's activities, the state of progress in actions and the effectiveness of those undertaken are re-assessed during the meeting.

The tools and methodology for comprehensive risk mapping take into account the **areas covered by the duty of vigilance**: an excerpt from this mapping has been produced to focus on the societal and environmental risks associated with duty of vigilance that the Group's activities could cause to third parties and to the environment. This excerpt focuses mainly on the following risk families: HSE, Human Resources and Purchasing.

The main risks identified in 2019 for stakeholders and the environment are those related to health and safety, in particular industrial and personnel risks (accidents at work, work-related illnesses), psychosocial risks, as well as the risks of accidental pollution (water, soil, air). This vigilance

enables these risks to be permanently anticipated and, therefore, prevented.

Specific analysis of the risks related to human rights and fundamental freedoms was conducted during ArianeGroup's risk assessment campaign in 2019, based on the HRCA³ questionnaire.

This assessment focused on the risks to which ArianeGroup is potentially most exposed. This enabled ArianeGroup to step up its efforts as part of its human resources policy, with a view to effectively preventing and managing, where necessary, situations of discrimination, moral and sexual harassment, sexist conduct and workplace violence (see 3.5 below).

Subsidiaries apply ArianeGroup's risk identification and prioritization methodology adapted, where appropriate, to the size and specific features of the activity of each Subsidiary.

ArianeGroup ensures that this methodology is applied by the Subsidiaries by conducting a risk review twice a year and an annual internal control test campaign.

At the end of the risk review and internal control campaign, each Subsidiary issues a "letter of affirmation" in which it commits to implementing and properly applying company risk management and internal control processes.

The Subsidiaries report their major risks and the associated action plan (risk mitigation, prevention of serious impacts) for analysis and consolidation in the Group's risk mapping. Consequently, some of the risks identified by the Subsidiaries that are related to the specific features of their activities (pollution, regulatory compliance) and the duty of vigilance have been appropriately addressed in coordination with the Group's experts.

In addition, the Purchasing, Ethics and Compliance and CSR teams have developed a methodology for mapping the risks inherent to the activities of **subcontractors and suppliers** following a process designed to associate a level of risk with their activities and specifically taking into account the following

³ HRCA: [the Human Rights Compliance Assessment](#) developed by the Human Rights & Business Project of the Danish Institute for Human Rights.

parameters: the supplier's industrial sector, their geographical location, and the purchase category.

In 2020, an analysis of the active suppliers in ArianeGroup's purchasing system will be conducted.

This will allow identification of the measures to be implemented to prevent risks and serious impacts on human rights and fundamental freedoms, as well as those affecting the health and safety of persons and the environment, and to determine the criteria on which this mapping will be updated.

This methodology will gradually be rolled out by the Subsidiaries for their own subcontractors and suppliers.

2.3. INTERNAL CONTROL AND AUDIT

The Group has set up:

- an **internal control** function in Finance. The purpose of this function is to oversee the proper application of about 200 checkpoints described in a reference baseline, and to define and follow up actions to correct any cases of non-compliance with the requirements. This internal control system contributes to the control of the Group's activities, the efficiency of its operations and the effective use of its resources. It shall enable the Group to take major operational, financial and compliance-related risks into consideration;
- an independent **internal audit** function that reports to the Group's general secretary. This function is tasked with carrying out audit and advisory work on behalf of the Executive Committee and the ArianeGroup Holding Board's Audit, Risk, Finance and Compliance Committee (ARFCC). Audits may be requested by the members of the ArianeGroup Executive Committee or by the ARFCC as part of the Group audit plan or to respond to a specific request. Against this background, the internal audit provides written reports based on objective and independent analyses and ensures the implementation of the corrective action plans.

3. ACTIONS

The Group's duty of vigilance approach and the resulting measures are constantly being deployed and adapted.

During the 2019 financial year, ArianeGroup reinforced the action plan initiated and supervised on a daily basis in the following main areas.

3.1. ETHICS CHARTER

ArianeGroup adheres to the fundamental conventions of the International Labor Organization (ILO), the guiding principles of the Organisation for Economic Co-operation and Development (OECD) for Multinational Enterprises and the United Nations' Universal Declaration of Human Rights

These principles are reflected in the ArianeGroup **Ethics Charter** which defines the ethical principles and the essential values applicable within the Group. Following the publication of the law on the duty of vigilance, the Ethics Charter was updated

to clarify the sections dealing in particular with human rights, HSE, escalating alerts, eco-efficiency and responsible sourcing, including ArianeGroup's duty of vigilance on its supply chain. The Ethics Charter is available in ArianeGroup's three working languages (English, French and German) and is currently being translated for the Dutch and Chinese Subsidiaries. It is implemented in the Subsidiaries, which have incorporated it into their respective documentation systems.



3.2. RESPONSIBLE PURCHASING

The principles described in the ArianeGroup Ethics Charter are included in the **Supplier Ethics Charter** applicable to the contractual relations between ArianeGroup, its subcontractors and suppliers.

Following the publication of the law on duty of vigilance, ArianeGroup updated its Supplier Ethics Charter to clarify the sections dealing in

particular with human rights, HSE, escalating alerts, eco-efficiency and responsible sourcing, including the duty of vigilance in the supply chain. In particular, this update emphasizes the expression of ArianeGroup's expectations regarding the implementation of the Ethics Charter by its suppliers and the consequences of any infringements. The Supplier Ethics Charter was updated in coordination with the Subsidiaries so that it can be deployed throughout the entire Group in 2020.

La Charte éthique fournisseur complétée par les exigences spécifiques relatives à l'environnement est référencée dans les Conditions Générales d'Achats (CGA) et dans les contrats ou bons de commande passés par ArianeGroup à ses sous-traitants et fournisseurs. La Charte éthique fournisseur mise à jour sera communiquée aux fournisseurs et sous-traitants d'ArianeGroup au cours du premier semestre de l'année 2020.

The Supplier Ethics Charter, supplemented by the specific requirements relating to the environment, is referenced in the General Purchasing Conditions (GPC) and in the contracts or purchase orders placed by ArianeGroup with its subcontractors and suppliers. The updated Supplier Ethics Charter will be distributed to ArianeGroup's suppliers and subcontractors in the first half of 2020.

The commitment of ArianeGroup's subcontractors and suppliers to respect the principles contained in the Ethics Charter and to cascade them in their own supply chain is an integral part of ArianeGroup's Responsible



Purchasing action plan. This plan is designed in particular to promote and enforce good practices relating to human rights, ethics, health, safety and the environment.

As part of this action plan, a working group has been set up to structure the methodology and the tools for the identification of risks related to critical raw materials, including conflict minerals. Formed in 2019, this group brings together representatives from the purchasing, eco-design, and industrial policy teams.

Risk mapping will also enhance this action plan, in particular by enabling well adapted verification measures to be defined before selecting any subcontractors or suppliers. Consequently, the requirements of the Supplier Ethics Charter will be given greater consideration in the prevention and management of supplier risks, to the same degree as the other types of risks (finance, dependency, quality, delivery, single source, etc.).

These risks are overseen by common authorities, whose assessments are consolidated and reported to the Executive Committee.

The deployment of the responsible purchasing action plan is accompanied by awareness-raising sessions on sustainable development for employees in the Procurement department (60% of whom have followed awareness training from 2018 and new sessions will be organized on the occasion of the bi-annual plenary procurement meetings).

3.3. HEALTH, SAFETY AND ENVIRONMENT (HSE) POLICY

The HSE Policy formalizes ArianeGroup's commitment to respecting laws and regulations, protecting human life, respecting the environment, preventing pollution and safeguarding property.

The objectives of this policy are to:

- develop a policy based on anticipation and prevention to control HSE-related risks for the benefit of ArianeGroup personnel and interested parties involved in its activities;
- guarantee the continuity of company activities by maintaining rigorous requirements pertaining to the security of facilities and by controlling environmental impacts;
- design, build, test, and deliver products and services that meet the HSE requirements throughout their life cycle.

3.3.1. HSE PERFORMANCE SYSTEM

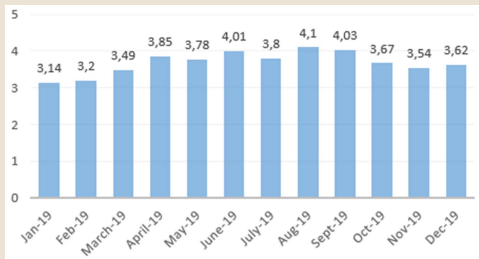
To implement this policy, ArianeGroup calls on its HSE Performance System, whose

equivalence with ISO 14001 was pronounced in 2018 and renewed in 2019.

ACCIDENT FREQUENCY RATE

The HSE Performance System brought about a durable decrease in the Accident Frequency Rate (AFR*) in 2019. The AFR was 3.62 at the end of 2019 (see graph below), demonstrating the long-term improvement of the results and positioning ArianeGroup as one of the best industrial companies in the aerospace construction sector.

In gross figures, the number of accidents with lost time was stable (47 in 2019, compared with 50 in 2018).



Change in AFR in 2019

The results were also good in the Subsidiaries. In two Subsidiaries, the AFR was zero, a result that can be explained by the nature of their activities, which consist mainly of engineering, with little or no manufacturing. The AFR was also low in the other Subsidiaries in 2019, and overall stable compared to 2018.

In 2019, HSE performance was audited on all the ArianeGroup sites in France and Germany.

The basic criteria of the Performance System are now in place. Performance improvements in the next years will include control of risks that are most critical to the safety of persons and the achievement of high long-term performance.

(* AFR = Number of accidents with lost time of more than one day, occurring during a period of 12 months per million working hours.

The HSE Performance System is one of the components of ArianeGroup's overall

management system that contributes to managing HSE risks inherent to its business.

It is based on three pillars: anticipation, operational control, and the commitment of every employee.

The main objectives are to ensure health and safety in the workplace, to manage technological risks and their environmental impact, to control energy consumption and to set up an HSE performance optimization program.

The implementation of the performance system at ArianeGroup site level includes establishment of the organizational structure, definition of roles and responsibilities, application of procedures, review and upkeep of the HSE policy and continuous improvement of HSE performance. All lost-time accidents are analyzed and curative and preventive actions are undertaken by the HSE and operational teams.

Four Subsidiaries have already taken action to implement an ISO 14001-equivalent environmental performance system. A fifth Subsidiary worked on its environmental standard in 2019, in readiness for deployment in 2020.

3.3.2. HSE TRAINING

In 2019, health and safety of personnel were priorities in the internal training plan.

In 2019, 32,962 hours of HSE training were delivered for ArianeGroup and 4,096 people were trained, which is twice as many as in 2018 and represents almost 50% of employees.

Subsidiaries are also making significant efforts in this field, with a total of 7,433 hours of HSE training delivered in 2019 to 553 people.



Ariane 6 assembly facility in Bremen.

© 2010 Franck T. Koch / Hill Media GmbH

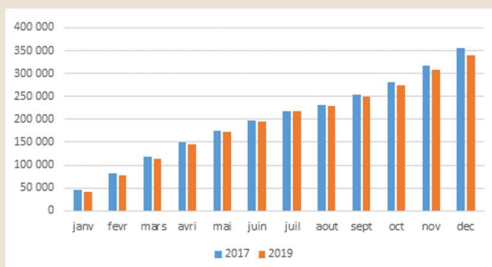
3.4. ENERGY POLICY

In order to minimize its environmental impact, ArianeGroup has adopted an Energy Policy which has five major priorities:

- implementation of the energy performance system, which forms an integral part of the HSE Performance System;
- consideration of energy efficiency when establishing site and production master plans;
- integration of energy performance as one of the decision-making elements in the design and construction of site infrastructures, production and testing facilities and IT resources;
- management of facilities to ensure the lowest possible consumption of energy required for site production and operation;
- responsible purchasing of electrical energy.

ENERGY CONSUMPTION

To achieve the ambition set out in the Energy Policy (-10% by 2020), the aim was to reduce the **energy consumption** of ArianeGroup by 7% in 2019, compared with 2017. The 2019 balance revealed savings of 7.7% compared with the baseline year 2017.



Megawatts consumed in France (gas, electricity, biomass) in 2019 versus 2017

The objectives defined by this policy for 2020, compared with the reference year of 2017, are:

- a 10% decrease in energy consumption;
- doubling the production of renewable energy;
- a 15% reduction in greenhouse gas emissions.

In 2019, a number of actions were taken to help to achieve these targets:

- start-up of a second biomass boiler room;
- contractual finalization and launch of the deployment of an energy-monitoring software application that will optimize the monitoring and control of ArianeGroup's facilities. This software was installed on a first site in 2019;
- the deployment of the HSE Performance System energy audits, including consumption analyses, action plans, improvement measures, continuous improvement, and requiring, for example, the validation by an Energy Manager of all new equipment or facilities specifications with a power higher than 50 kW;
- the organization of the *Weekend for our Planet* event intended to raise awareness amongst ArianeGroup employees of energy consumption reduction. The efforts made on every site to switch off as many devices as possible, both in offices and in manufacturing areas, resulted in energy savings over a weekend. A project has now been launched to continue these energy-saving actions in the long term;
- continued improvement of technical equipment (replacement of cold generators and boiler burners, repair of leaks in compressed air networks, installation of electricity meters, etc.).



Visual associated with the *Weekend for our planet*.

These efforts are also being supported by the Subsidiaries, which have launched energy-saving projects on their sites.

For example:

- the Arianespace site in French Guiana is ISO 50001-certified;
- in 2019, Pyroalliance launched a voluntary initiative to measure and reduce its carbon footprint (calculation of emissions in 2018). The goal is to propose an action plan to offset 100% of emissions in 2020.

3.5. ECO-DESIGN

A Design for Environment (DfE) team is dedicated to the study of environmental impacts of the products and processes developed by ArianeGroup as well as the methodological development of activity sector-specific indicators. The goal of the DfE team is to promote an overall vision of the product and process life-cycle by taking terrestrial and orbital ecosystems into account and to guide design choices to reduce their environmental footprint.

In 2019, ArianeGroup's efforts in this area focused on:

- updating the Life Cycle Assessment (LCA) for operations of the future Ariane 6 launcher;
- setting up an internal working group with the purchasing and industrial policy functions to analyze the impact of critical raw materials on the scope of ArianeGroup;
- finalization of the work carried out within the framework of a CIFRE (*Convention Industrielle de Formation par la Recherche*) thesis on the creation of a Space Debris indicator compatible with the normative LCA framework;
- continuation of the work on the extension of the Environmental Quality Index into the new ArianeGroup tools and scope in order to take into account product toxicity from the design phase;
- application in-house and with suppliers, as well as the response to the new environmental requirements (regulatory and contractual) of military programs,

Finally, ArianeGroup is involved in sectoral initiatives related to eco-design: the GIFAS working group on eco-design, the CNES

conferences on space debris, ESA Clean Space Industrial Days, etc.

3.6. HUMAN RESSOURCES

ArianeGroup has transposed into the internal regulations of its sites and collective agreements the main principles enshrined in the Universal Declaration of Human Rights, including diversity and equal opportunities; occupational safety and health; and the right to rest and to paid leave.

3.6.1. COMBATING DISCRIMINATION

As part of its general policy to combat all forms of discrimination, ArianeGroup is taking a number of measures designed to prevent and address any such situations.

Preventive measures are being taken with regard to recruitment, employment and access to vocational training. ArianeGroup has developed supervisory tools for that purpose.

The human resources management processes at ArianeGroup are based exclusively on the match between professional skills and the Group's needs. ArianeGroup deploys specific means of preventing and addressing any situations of discrimination, in particular under the terms of company collective agreements and in accordance with the applicable regulations.

In 2019, efforts in this area focused on the following actions:

- Under the terms of the commitments made by ArianeGroup SAS on November 17, 2017 in the agreement on diversity and professional equality, and in particular to combat discrimination in recruitment processes, the persons involved in recruitment, human resources personnel, managers, and the service provider tasked with recruitment have been made aware of the promotion of profile diversity, of the company's issues and commitments, and of the legal framework. All the French Subsidiaries also signed an agreement on professional equality in 2018 or 2019.
- ArianeGroup SAS has also implemented a procedure to systematically analyze the pay of men and women upstream of the pay

policy, in order to measure any salary gaps. If any individual situations are observed where the salary gap appears to be unjustified, an individual analysis is conducted and, where appropriate, the salary is adjusted accordingly over one or more years.

- ArianeGroup SAS also compiles an annual report comparing the situations of men and women and publishes the gender equality index defined by the French law of September 5, 2018.
- On each of ArianeGroup GmbH's sites, anti-discrimination representatives and representatives for inclusion and of disabled employees have been designated.

ArianeGroup GmbH has also set quantified targets for 2022 to increase the percentage of women in management positions. The goals are to progress from 0% to 10% for executive managers and from 14% to 19% for senior managers.



© ArianeGroup Holding / MIP / Thomas Leaud

Fabrikarium 2018 in partnership with My Human Kit: using ArianeGroup's innovation capacities for better inclusion of people with disabilities.

ArianeGroup SAS's overall score for 2019, based on the gender equality index defined by the French law of September 5, 2018, was 89/100.

Two Subsidiaries also use this index to keep track of their progress, with scores of 92/100 and 86/100 respectively in 2019.

ArianeGroup has set up an internal procedure to address possible cases of discrimination in support of these actions. This procedure is open to all employees who consider that they are victims of discrimination of any form.

In addition to the prevention of discrimination in the company, ArianeGroup SAS also takes

proactive actions as part of its diversity policy, in particular in favor of:

- professional diversity and equality: these actions address recruitment, actual remuneration, professional promotion, training, working conditions, health and safety at work, and the balance between work and private life;
- the employment of young people and seniors, and support for their career development;
- recruiting people with disabilities, keeping them in work and developing their careers. In this context, in May 2019, ArianeGroup SAS and AGEFIPH (*Association de gestion du fonds pour l'insertion des personnes handicapées*) signed an agreement intended to formally establish the framework of the company's policy for people with disabilities. This agreement is a continuation of actions already taken by the entities, and will remain applicable until December 31, 2020.

In 2019, the Pyroalliance Subsidiary organized a review of women's place in the company (career development, access to training, etc.) in the form of workshops with occupational psychologists.

In 2020, efforts in the field of gender equality in this Subsidiary will concentrate on training for all managers in the behavioral bias that exists between men and women in the company.

3.6.2. COMBATING SITUATIONS OF MORAL AND SEXUAL HARASSMENT, SEXIST CONDUCT AND WORKPLACE VIOLENCE

ArianeGroup respects and enforces respect for the dignity and privacy of every employee, and does not tolerate any form of harassment in the workplace, of any kind, or any form of sexist conduct or workplace violence.

ArianeGroup strives to take all the measures required to prevent and deal with acts of moral or sexual harassment, sexist conduct and workplace violence.

In 2019, ArianeGroup SAS defined measures to process situations of harassment, sexist conduct and workplace violence. This framework allows management to examine presumed situations of harassment, sexist conduct and workplace violence.

In addition, as part of the implementation of the French *Avenir professionnel* law of September 5, 2018, ArianeGroup SAS and several Subsidiaries have appointed members of staff as points of contact in the combat against sexual harassment and sexist conduct. ArianeGroup has extended their remit to include moral harassment.

ArianeGroup SAS also wanted to promote a scope for the designation of these points of contact that is close to the employees (designations on sites rather than on a company-wide level). The staff member thus appointed for the combat against sexual and moral harassment and sexist conduct is an on-site point of contact who can be addressed directly by employees who consider that they are victims of any form of harassment or sexist conduct. These contacts are on hand to listen, inform, and provide guidance.

All employees were informed of the points of contact in a local communication campaign.

These designated staff members for the combat against sexual harassment, sexist conduct and moral harassment, and the Human Resources personnel, have been trained in the means of preventing and processing these situations at ArianeGroup SAS. Several Subsidiaries have also designated points of contact for the combat against sexual harassment and sexist conduct.

The Subsidiaries are also taking actions to combat harassment. APP and Arianespace in particular have introduced an alert procedure. Pyroalliance plans to roll out a communication campaign on sexual harassment in 2020.

3.6.3. PREVENTION OF STRESS AT WORK

ArianeGroup pays particular attention to the prevention of psychosocial risks (PSR) and stress at work.

Against the backdrop of the transformation of ArianeGroup, as soon as the entity was created, senior management launched an initiative to prevent stress at work in support of the implementation of the new organization,

and to prevent any possible impacts on employees.

The preventive actions at ArianeGroup are continuously structured and deployed on three levels of prevention (primary, secondary and tertiary). They anticipate and support the reorganization of the company and adopt a targeted approach to address individual or collective cases of stress.

In addition, specific actions are taken to reinforce the existing measures at ArianeGroup SAS and ArianeGroup GmbH, according to their respective contexts.

ArianeGroup SAS has drawn up an action plan for 2018-2019 intended in particular to reinforce the primary preventive measures (taking action on risk factors). To this end, managers were asked to produce action plans to prevent PSR in their own sectors. This overall approach is part of the continuation of the awareness-raising sessions on the prevention of psychosocial risks that were launched in 2018 and 2019, particularly for managers and Human Resources personnel. A letter co-signed by the President and the Director of Human Resources of ArianeGroup SAS was sent to them before these sessions to remind them of management's commitments and the importance of prevention in the context of the transformation of ArianeGroup.



© ArianeGroup Holding / MIP / Thomas Leaud

Additionally, ArianeGroup SAS launched an information campaign for employees following the deployment of the psychological help line (toll-free number). This service is available 24/7, every day of the year, for employees who feel the need to have a confidential and frank discussion about their personal and/or professional difficulties.

As part of its action plan for 2020, ArianeGroup SAS intends to conduct a

company-wide survey of stress in the workplace, which should:

- measure the levels of stress in the company;
- identify the most exposed populations (sectors, sites, socio-professional categories, etc.);
- measure the stress factors.

This survey will be conducted by an external service provider specialized in the prevention of psychosocial risks and quality of life at work.



At ArianeGroup GmbH, a psychosocial risk assessment questionnaire is regularly used and followed up by the organization of specific workshops, where necessary.

Finally, ArianeGroup takes various initiatives to promote quality of life at work and, in particular, to strike the right balance between work and private life:

- ArianeGroup SAS has published a Charter on the right to choose to connect and the right to disconnect;
- ArianeGroup SAS and ArianeGroup GmbH have both introduced home working.

The Subsidiaries have also taken a number of actions to prevent stress at work. While individual interviews are a key opportunity for employees and managers to take stock, other tools are also available. For example:

- the psychological support provided by a service provider that is already available at Cilas and under consideration at Nuclétudes;
- in 2020, Nuclétudes will deploy a health and well-being barometer for its employees;
- Pyroalliance will raise awareness amongst managers of their role in the prevention of PSR.

3.7. PROTECTION OF PRIVACY AND PERSONAL DATA

ArianeGroup respects and protects the privacy of individuals and the rights of its employees, customers, suppliers and third parties.

In 2019, the Group's efforts in this area focused on the following:

- the extension of GDPR governance (European regulation N°2016/679, and the General Data Protection Regulation) to the ArianeGroup Kourou site and to all Subsidiaries;
- reinforced training in the risks and proper behaviors pertaining to personal data protection: training for the most exposed populations (HR, IT, assistants), deployment of a digital training module for all employees, finalization of the internal training modules available in the ArianeGroup training catalog;
- execution of the Privacy Impact Assessments identified in 2018;
- support of Purchasing for supplier compliance;
- support of major projects involving the processing of personal data in a Privacy-by-Design approach.

3.8. COLLECTION AND PROCESSING OF REPORTS

In its day-to-day activities and through its working methods, ArianeGroup encourages transparency, trust and respect, in order to develop a culture of dialogue essential to the escalation of alerts. ArianeGroup condemns and undertakes to fight against any form of retaliation with respect to whistle-blowers in accordance with the commitments made in its Ethics Charter.

Full-time and interim employees are invited to report any situation or behavior contrary to the principles of the Ethics Charter through their usual contacts such as their line manager or a representative of the Human Resources, Ethics & Compliance or Legal departments, who must in return provide them with adequate support so that the report is processed as soon as possible.

In addition, and in accordance with the legal requirements (French Sapin II and Duty of Vigilance laws), the Ethics & Compliance

department is working on the improvement of the process for the collection and processing of reports, open to employees and third parties, to guarantee the strict confidentiality of people and the associated exchanges of information. ■

GLOSSARY

The terms and acronyms used in capital letters in this report have the meaning as defined below:

ArianeGroup: refers to ArianeGroup Holding (top holding entity) and its first-level Subsidiaries ArianeGroup SAS and ArianeGroup GmbH

Group: refers to ArianeGroup Holding and its direct or indirect Subsidiaries

Executive Committee: refers to the ArianeGroup Management Committee

Subsidiaries: refers to the companies controlled within the meaning of II of Article L. 233-16 of the French Commercial Code listed in Appendix 2

APPENDIX – GROUP BUSINESS

