Continuing the
sustainability
focus

Airbus' purpose is to pioneer sustainable aerospace for a safe and united world. The Company is deeply aware of its responsibility to society and future generations, and contributes to the UN Sustainable Development Goals ("SDGs") through its core business and how it operates. The Company approaches sustainability by respecting the planet, valuing people and enabling prosperity. These guiding principles are embedded in its operations and activities.

The Company strives to respect the planet, improving its products as well as addressing its environmental impact. 2022 saw many milestones in the deployment of sustainable aviation fuel, as well as efforts to reduce emissions on Airbus sites and in the service life of Airbus products. In order to hold itself accountable to making continuous improvement in this area, in 2022 Airbus established robust, clearly-defined targets in line with climate science and submitted them to the Science Based Targets initiative (SBTi) for validation, which were approved by the SBTi in January 2023.

The Company is committed to valuing people, with a business built on a foundation of safety,

quality, integrity, compliance and security. Valuing people also means supporting humanitarian efforts and global resilience. Global events in 2022, notably the war in Ukraine, saw the relationship between sustainability and security, and the ways in which safety, defence and sustainability mutually reinforce each other, come to the fore.

The Company enables prosperity, and recognises the way in which it can help to unite cultures, connect economies and encourage global cooperation. Some of the many agreements signed during the course of 2022 included: partnerships with engine manufacturer CFM International to ground- and flight-test a hydrogen combustion engine and a flight-test demonstrator for advanced open fan architecture; a partnership to advance the ecosystem for alternative propulsion technologies with Renault; research on superconductivity that could be applied to future electric or hydrogen-powered aircraft; and a partnership with HyPort to create one of the first airport production and distribution stations for low-carbon hydrogen.

The Company's sustainability strategy remains aligned with four priority sustainability commitments which correspond to the relevant UN SDGs (see table): to lead the journey towards clean aerospace; to build our business on the foundation of safety and quality; to respect human rights and foster inclusion; and to exemplify business integrity. The Universal Registration Document provides detailed disclosures on each of these commitments.

Commitment to the UN SDGs

Through its business activities and sustainability commitments, the Company contributes to at least eight of the United Nations Sustainable Development Goals.

Quality education
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Gender equality
Achieve gender equality and empower all women and girls.

Decent work and economic growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Industry, innovation, and infrastructure
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Responsible consumption and production
Ensure sustainable consumption and production patterns.

Climate action
Take urgent action to combat climate change and its impacts.

Peace, justice and strong institutions
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Partnerships for the goals
Strengthen the means of implementation and revitalise the global partnership for sustainable development.

The following examples represent a selection of the sustainability activities which took place across the Company in 2022.

Strengthening our corporate approach to community impact

In 2022, Airbus SE strengthened its approach to community impact by launching a new Community Impact Policy, with an emphasis on supporting communities in a sustainable, equitable and measurable way, and focusing on three principle themes: supporting and developing vulnerable communities, youth and quality education, and safeguarding the future of the planet. The Company also launched a new dedicated digital platform, +impact, to empower employees to donate, fundraise and volunteer for causes they care about. To tie in with the launch of this platform, a donation-matching campaign supported impact-projects that had existing partnerships with Airbus: this initiative reached over 60 organisations across 15 countries including the UK, France, Germany, Spain, Kenya, USA, and several countries in the Latin America and Asia Pacific regions.

Throughout the year, Airbus also developed several corporate giving partnerships, prioritising projects which respond to specific community needs and create lasting positive impact. Examples of projects that were undertaken in 2022 included constructing transitional houses in Latin America; securing access to early education opportunities for children from underserved communities in the Philippines and mentoring girls in STEM subjects in Latin America; and biodiversity restoration projects such as rejuvenating two lakes in Bangalore and Manesar (India) and rebuilding a wildlife pond in Bristol (UK).

Amplifying our impact via the Airbus Foundation

The Airbus Foundation facilitates philanthropic initiatives worldwide by providing access to Airbus' unique portfolio of high-tech products, services and know-how.

In 2022, the Airbus Foundation continued to work with its partners to provide humanitarian response, carrying more than 175 tons of aid and chartering 302 flight hours in response to flooding and famine crises, among others, in countries like the Philippines, Madagascar and Somalia. The Foundation provided 27,419 km² of satellite imagery coverage to its partners worldwide to facilitate assessment and response planning.

The Airbus Foundation enriched its offering for young people by launching a new, free-to-access website featuring STEM content in four languages: the Airbus Foundation Discovery Space. In 2022, the Foundation's youth programmes reached 9,000 students across 17 locations.

The Airbus Foundation provided 2,453 km² of satellite imagery to the Connected Conservation Foundation, to support the preservation of wildlife and natural ecosystems in South Africa and Kenya. It also provided imagery and technical data and project management services to the International Union for Conservation of Nature, supporting validation of their Restoration Barometer, which monitors the progress of forest restoration projects.

Reducing energy consumption and emissions on our sites

The Company is committed to taking environmental responsibility seriously and is actively replacing energy-intensive assets and optimising energy consumption. A portfolio of measures is currently being phased in. This includes low-energy lighting; improved insulation; voltage management; optimised heating, cooling and ventilation systems; and renewable energy production either on site or nearby, such as photovoltaic panels for electricity and biogas or biomass for heating.

In Broughton, UK, Paint Shops were placed on automatic standby during weekends and shutdowns, leading to energy savings of 340 MWh. 17,500 fixed phones were removed across European sites, which in France represented electricity savings of 920 MWh. There are also other levers to be deployed: switching to lower-emission vehicles where possible and better planning of internal flights and logistics. New Beluga jigs and tools have enabled each logistic flight to transport two A350 wings instead of one. Airbus also began to use SAF in its internal flight test activities, and in December 2022 launched its first test campaign to explore the use of renewable fuel for its fleet of maritime vessels.

Investing in innovation and research

2022 saw Airbus make a number of investments in innovation and research, putting its weight behind renewable energy technologies. Airbus invested as Limited Partner in Hy24's Clean H2 Infra Fund, which aims to "scale up the global hydrogen economy and end-to-end value chain" by investing in hydrogen infrastructure projects worldwide. Airbus' participation allows it to support the broader hydrogen ecosystem and promote more widespread use of hydrogen on a cross-industry basis. Airbus also continued to explore operational improvements, with the conclusion of the pan-European ALBATROSS project in November, which explored how to improve air traffic management processes using the latest technologies and data science.

The Company invested in Carbon Engineering Ltd., a Canadian-based climate tech company that develops Direct Atmosphere Carbon Capture (DACC) licensed technology. The investment will support R&T efforts in developing advanced technology at Carbon Engineering's largest DACC Research & Development facility. Airbus also signed an agreement with 1PointFive for the offtake purchase of 400,000 tons of carbon removal credits as a way of bringing carbon removals to the aviation industry – a move that attracted interest from a number of major airlines.

1.2 Non-Financial Information

1.2.1 The Company's Approach to Sustainability

I. Purpose

The Company's purpose is to "pioneer sustainable aerospace for a safe and united world". The Company designs, manufactures and delivers aerospace products, services and solutions to customers on a worldwide scale helping to create value and drive growth. The Company is deeply aware of its responsibility to society and future generations, and contributes to a number of UN Sustainable Development Goals ("**SDGs**") through its core business and how it operates.

The Company strives to respect the planet. It aspires to lead the journey towards clean aerospace. The Company pioneers advanced and disruptive technologies while delivering and continuously improving its fuel-efficient products. From exploring new aircraft and propulsion technologies and alternatives to fossil fuels (SAF) to testing new prototype aircraft powered by hydrogen, the Company is committed to reducing the environmental impact of its products. It is also committed to taking environmental responsibility and, for example, to actively reducing emissions through its value chain, cutting on-site waste and increasing the recycling of aircraft at the end of their service life. The Company's products and services, such as its Earth-observation technologies, allow it to play an active role in tackling climate change, providing insights that help make the planet more resilient.

The Company is committed to valuing people. Its business is built on a foundation of safety, quality, integrity and compliance, with the highest standards ensured from design to operation. The Company supports the balance of powers and is uniquely-positioned to strengthen global resilience through its products and services. The Company's technology allows its customers to protect lives during a conflict and prevent crises before they escalate. The Company's products help to protect citizens, defend sovereignty and advance global security, mindful that there can be no sustainability without security.

The Company enables prosperity. Its products help to unite cultures, connect economies, and enable global cooperation and partnership. The Company brings together people and organisations across the globe, physically with its commercial aircraft and helicopters, and virtually with its satellites and connectivity solutions. It mobilises the collective positive impact of its workforce, products and services to tackle societal challenges in partnership with local communities. In addition, the Company works collaboratively to maximise its positive impact, playing an active advocacy role, educating the aerospace industry and partnering with other businesses and public sector organisations to develop technology and solutions that will allow the industry to transition towards a sustainable economy. It is committed to being an economically resilient business that has the financial strength to invest in a more sustainable future. The Company believes that a sustainable tomorrow needs the strongest foundations today.

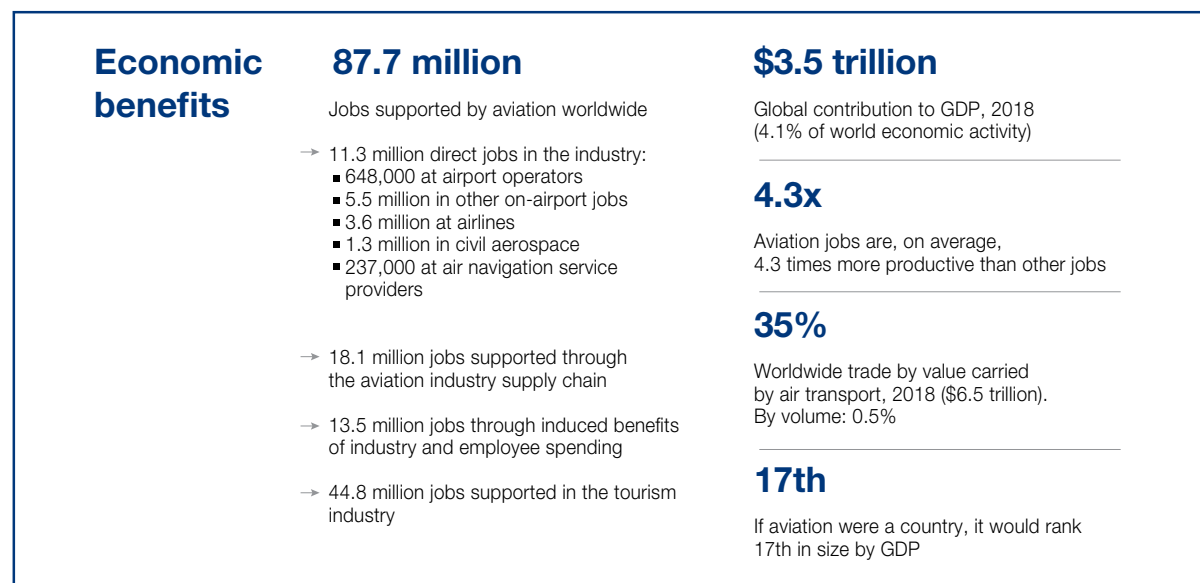| GENERAL	GRI	SDGs	Others
	102 General Disclosures	4, 5, 8, 9, 12, 13, 16, 17	Vigilance Plan
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee supported by topic-focused committees		
Commitments to external frameworks	UN Global Compact, The Ten Principles, Sustainable Development Goals		
Add. resources ⭧: *this symbol indicates a link to an external website*	Sustainability on Airbus.com ⭧, Airbus Tax Strategy ⭧, Innovation contributing to a more sustainable world on Airbus.com ⭧, Earth monitoring and understanding ⭧ (*e.g.* Climate change monitoring ⭧), Example partnership for innovation: ANITI project ⭧, Toulouse University (ANITI) ⭧, ATAG Benefits Beyond Borders fact sheet ⭧, ASD Fact Sheet 2022 ⭧, UN Global Compact ⭧		

In line with its purpose, the progress in its sustainability journey, and the evolution of reporting frameworks, the Company has further evolved its non-financial reporting in 2022, providing additional transparency and striving to better demonstrate its level of commitment and performance, as presented in the following pages.

II. Indirect Contributions

The Company's contribution to a more prosperous and sustainable society goes beyond what it offers directly through its products and services.

For example, as one of the most important players in the aviation industry, the Company contributes significantly to SDG 8 – "Decent Work and Economic Growth" – as highlighted through the 2020 Benefits Beyond Borders – global fact sheet, available on the Air Transport Action Group website (figures reflect pre-COVID 19 situation, a "normal" year for air transport):

Economic benefits

87.7 million

Jobs supported by aviation worldwide

→ 11.3 million direct jobs in the industry:
  - 648,000 at airport operators
  - 5.5 million in other on-airport jobs
  - 3.6 million at airlines
  - 1.3 million in civil aerospace
  - 237,000 at air navigation service providers

→ 18.1 million jobs supported through the aviation industry supply chain

→ 13.5 million jobs through induced benefits of industry and employee spending

→ 44.8 million jobs supported in the tourism industry

$3.5 trillion

Global contribution to GDP, 2018 (4.1% of world economic activity)

4.3x

Aviation jobs are, on average, 4.3 times more productive than other jobs

35%

Worldwide trade by value carried by air transport, 2018 ($6.5 trillion). By volume: 0.5%

17th

If aviation were a country, it would rank 17th in size by GDP

As a major European defence manufacturer, the Company also has significant economic impact across Europe. According to the AeroSpace and Defence Industries Association of Europe, the industry supports over 879,000 jobs across the continent, all contributing to Europe's economic prosperity with €238 billion in annual revenue in 2021, €138 billion of which comes from exports.

While the Company contributes to the global economy as a whole, it also contributes to the economic development of the communities where it operates. Full aerospace ecosystems – bringing together academia, research centres and corporations, all with high value-added jobs – often develop around the Company's sites such as those in Toulouse or Hamburg. This development is accelerated thanks to the Company's innovation ecosystem such as Airbus Scale: an innovation unit that combines corporate innovation, start-up engagement and company-building activities. Airbus Scale identifies and promotes internal corporate innovation opportunities that can be developed into solutions for the external world, bringing them to market and attracting external investments that could result in spin-offs. This generates value not only for the Company but also for the local communities where these new companies will set up, operate and prosper.

III. Sustainability Commitments

Furthermore, the Company understands that contributing to a sustainable society is achieved not just through *what* it does but also *how* it does it, striving to minimise negative impacts and maximise the positive ones. In order to give direction and focus, in 2020 the Company updated its sustainability strategic framework around the four sustainability priority commitments listed below that apply across its entire value chain. These commitments are in close connection with the UN SDGs and contribute more specifically to eight of them.

The Company's **four commitments**	Material topics (see hereafter)	SDGs	Section
#1 **Lead the journey towards clean aerospace**	Climate change Pollution Materials and circularity Water Biodiversity	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS	1.2.2 1.2.3 1.2.4 1.2.5 1.2.6
#2 **Build our business on the foundation of safety and quality**	Product safety Cyber security Health and safety	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	1.2.7 1.2.8 1.2.9
#3 **Respect human rights and foster inclusion**	Human rights Inclusion and diversity Social dialogue People	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	1.2.10 1.2.11 1.2.12 1.2.13
#4 **Exemplify business integrity**	Business integrity	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	1.2.14

Across each commitment the Company has set key performance indicators ("**KPIs**") and targets enabling the Company to monitor progress towards these ambitions. These can be found in "– 1.2.17 ESG Data Board", which gathers all reported sustainability metrics. They can also be found in the related sections of this chapter, which is structured around each of the four commitments, completed by two sections which cut across all four commitments, "– 1.2.15 Responsible Supply Chain" and "– 1.2.16 Community Impact". Complementing the climate change section, EU Taxonomy regulatory information is disclosed in section 1.2.19.

Several sources were essential in deciding on the four commitments, including the 2019 materiality assessment, a benchmark exercise, an analysis of market and regulatory trends, an evaluation of ESG risks in the Company's risk report, a human rights gap analysis and the consideration of the Company's values.

IV. Materiality Matrix

The Company updated its materiality assessment in 2022 and used stakeholders´ inputs to support the ranking, of which ESG issues are most material (and subsequently shall be addressed in the sustainability strategy). The range of ESG topics assessed was defined based on relevant industry and regulatory references, as well as on internal expertise. This materiality matrix is to be fully updated periodically – indicatively every three years – and possibly adjusted in the meantime based on feedback captured from stakeholders in day-to-day business and further methodological improvements. The results of this 2022 update were captured in a materiality matrix (refer to materiality matrix chart below), which is fundamental in confirming the relevance of the Company's four commitments. It is a three-dimensional matrix:

– **importance to stakeholders** (vertical axis): The Company asked its 12 most important stakeholder groups (see "– Stakeholder engagement" section below) about their view on how important it is for the Company to address a given topic. Scoring was established by capturing the voice of critical stakeholders – including employees, customers, suppliers, investors, social partners – *via* a survey sent to selected representatives in each category and targeting individuals who are familiar with sustainability matters. Other information was obtained with the support of artificial intelligence (based on analysis of reports, legislation and media sources), capturing the importance of the respective topics in stakeholders' communication. Most information was collected using the Datamaran tool. During the feedback consolidation phase, a greater weight was assigned to critical stakeholders;

– **potential impact on rightsholders or ecosystems** (horizontal axis): the Company evaluated the potential impact of its activities on people and environment in connection with the Company's activities – *e.g.* employees, end users, and local communities. Scoring was established taking into account the scale, scope, remediability and likelihood of risks associated with the topic. This assessment was based on interviews with internal experts in each domain;

– **impact on the Company or financial materiality** (bubble size): The assessment of the potential impact of ESG-related topics on the Company's financial performance took into consideration the degree of risk associated with identified ESG-topics topics. Scoring was derived from the Company's enterprise risk management ("**ERM**") system and complemented by interviews with representatives from the Company's top management.
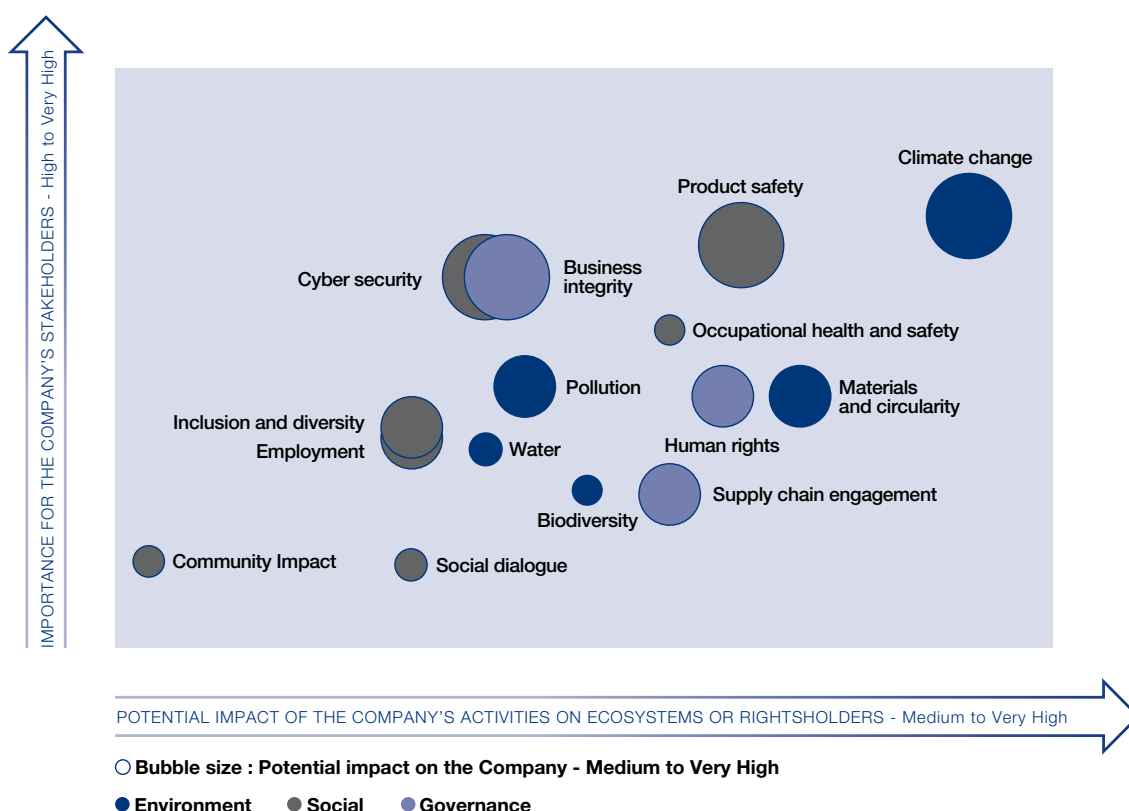
V. Stakeholder Engagement

The Company's approach to sustainability is built on constant engagement with its stakeholders. Key stakeholder groups, in line with International Aerospace Environmental Group recommendation for the sector, include employees, customers, suppliers, industrial partners (including energy providers), social partners, investors, NGOs, authorities / governments / policy makers, industry associations, MRO (maintenance, repair and operations) providers, airports, and the community at large. Dialogue with numerous stakeholders helps the Company progress its sustainability ambition. In addition, it has formalised a number of opportunities to exchange more widely with its stakeholders. For instance, beyond materiality assessment, the

Company meets at least twice a year with social partners to review sustainability topics (see "– 1.2.12 Social Dialogue"). Besides, the Company established the Airbus Supplier Sustainability Council in 2022 (see "– 1.2.15 Responsible Supply Chain"). It organised other events where sustainability topics were addressed during the year, such as the Capital Market Day and the Airbus Summit. Additionally, it participated in numerous events such as air shows or conferences, which fostered dialogue on sustainability matters with a large number of external stakeholders including investors, customers, media, NGOs, institutions, policy makers, and other industry or value chain partners.

01

VI. Governance

Conscious of the strategic importance of sustainability, the Company has defined governance at the highest level. Oversight has been established at the Board of Directors level with the Ethics, Compliance and Sustainability Committee ("**ECSC**"). For further information about the ECSC, see "– Corporate Governance – 4.1 Management and Control". The ECSC is responsible for assisting the Board of Directors to oversee the Company's:

– Culture and commitment to ethical business, integrity and sustainability;
– Ethics and Compliance programme, organisation and framework for the effective governance of ethics and compliance, including all associated internal policies, procedures and controls; and

– Sustainability strategy and effective governance to ensure that sustainability-related topics are taken into account in the Company's strategy and objectives.

Under the Board Rules, the Board of Directors delegates the day-to-day management of the Company to the CEO, who, supported by the Executive Committee, makes decisions with respect to the management of the Company, including sustainability. The Executive Committee has the responsibility to provide top level expectations and direction, while overseeing and validating the sustainability strategy. This entails validating sustainability targets, including those integrated into the Top Company Objectives.

Board of Directors
Ethics, Compliance & Sustainability Committee
Executive Committee

Environment Executive Steering Committee	Inclusion & Diversity Advisory Board	Product Safety Board	Occupational Health and Safety Governance Board	Human Rights, Business Integrity, Sustainable Supply Chain Direct cascading of topics to the Executive Committee

The Executive Committee is supported by several committees or boards linked to the Company's four sustainability commitments:
– the Environment Executive Steering Committee, the Inclusion & Diversity Advisory Board, the Product Safety Board as well as the Occupational Health and Safety Governance Board (created in 2022; see "– 1.2.9 Health and Safety"), all chaired by Executive Committee members;
– the Steering Committees of the Human Rights and Sustainable Supply Chain Roadmaps, both sponsored by Executive Committee members.

Other sustainability topics such as business integrity are brought directly to the attention of the Executive Committee. Where relevant, additional elements of governance linked to specific topics are explained in the governance sections of this report.

Organisation and policy framework: The sustainability & environment team put in place in January 2020 at corporate level has continued to develop and expand. Its mission continues to focus on:

- Setting the ambition level regarding the Company's environmental and social commitments;
- Identifying the levers to achieve this ambition;
- Enabling the business to deliver this ambition across the full value chain;
- Engaging employees on sustainability;
- Providing clarity on ambition and progress to internal and external stakeholders;
- Coordinating with relevant functions the performance and reporting on progress with regards to the four commitments.

While the sustainability & environment team has a Company-wide role to provide direction and check regularly on advancements across all sustainability topics, there are for each of those topics (*e.g.* health and safety, inclusion and diversity, human rights, etc.), related functions, departments or "roadmaps" (multi-functional teams addressing cross-functional sustainability topics) driving

their continuous improvement. These teams are for the most part supported by dedicated policies which are referred to in the Company's Code of Conduct – a single reference intended to guide daily behaviour and help employees resolve the most common ethical and compliance issues that they may encounter. The Code of Conduct applies to all of the Company's employees and directors, regardless of their job title, responsibilities, seniority, or location, within every subsidiary or joint venture where the Company has control.

Incentivisation and remuneration: The Company also believes the integration of sustainability criteria into its reward mechanisms is an important enabler for accelerating its sustainability ambition. A sustainability criterion is integrated into the common collective component of the CEO's variable remuneration, accounting for 20%, see "– Corporate Governance – 4.2.1 Remuneration Policy". This principle also applies to the other members of the Executive Committee who do not serve on the Board of Directors, and to a large extent to executives and "Level IV" managers employed at the Company. Other criteria also apply to all employees as summarised below:

Variable remuneration component	Objective / KPI (s)	Weight (s)	Population
- Collective performance	Health and Safety FR1 Reduction of CO_2 emission	10% 10%	"Level IV" Managers and Executives (around 4,500 employees)
- Success sharing	Health and Safety FR1	c. 5%	Around 115,000 employees
- Individual performance	Ethics & Compliance Functional sustainability objectives	Over 10% Individualised	All employees entitled to an individual bonus (around 50,000 employees)

VII. Airbus' Way Forward: Vigilance Plan

The Company is determined to conduct its business responsibly and with integrity. It is convinced that promoting responsible business conduct within its value chain is key to sustainable growth. The Company's vigilance plan includes measures to identify risks and prevent serious impacts related to sustainability resulting from the Company's own operations and from its suppliers and other contractors (including subcontractors). As far as its own operations are concerned, the Company has adopted internal policies and management tools to perform the monitoring, assessment, mitigation and reporting of risk and compliance allegations, which are embedded into the Company's culture and processes. For the Company's vigilance plan for its supply chain, see "– 1.2.15 Responsible Supply Chain", which shall be deemed to be incorporated by reference and form part of this plan.

Enterprise risk management and internal audit: With regards to risk management, sustainability risks and opportunities are fully embedded in the Company's ERM system. For further information on ERM, see "– Corporate Governance – 4.1.3 Enterprise Risk Management System". For further information on the Company's risks, see "– Risk Factors". Internal audits are also performed regularly across the Company, including on sustainability topics. External audits are performed in line with certification requirements, as detailed in the related material topic sections.

Sustainability competencies and employee engagement: Raising awareness, developing competencies and engaging employees are essential to preventing and mitigating sustainability risks and maximising opportunities. On this matter, the Company offered employees more than 900 online and in-person training opportunities in 2022, ranging from ethics and compliance to export control, health and safety, product safety, cyber security, internal controls, inclusion and diversity, quality and customer centricity, sustainability awareness and more. Training courses linked to sustainability topics were integrated into the 2022 mandatory training list for Company employees. Specific information on training is covered in the related material topic sections.

Affiliates: All Company controlled affiliates are expected to deploy similar internal policies by applying the Company's directives. A company-wide single directive defines rules, processes and procedures applicable to the Company's affiliates and their respective boards, directors and officers. Its enforcement is supported by the Directors' training programme which was delivered to 117 people in 2022 over eight full-day digital sessions, as well as on-boarding sessions performed for newly appointed managing directors of controlled affiliates. The single directive assists the Company's affiliates in effectively fulfilling their responsibilities, while assuring the Company's ongoing commitment to high standards of corporate governance. It was built on the basis of Company related internal policies including, but not limited to: the Company's Code of Conduct, International Framework Agreement, Agreement on the European Works Council, Supplier Code of Conduct, Health & Safety Policy, Environmental Policy, the Company's Anti-Corruption Policy and related directives. An online Internal Controls Self Assessment ("**ICSA**") is completed on an annual basis by the controlled affiliates to self-assess their internal controls, including how they relate to the environment, health and safety, human resources, governance, finance, procurement and compliance requirements in order to identify any gaps and define remedial action plans as required. Controlled affiliates can update the self-assessment on a quarterly basis based on their progression. Following ICSA, internal verifications are carried out by the respective corporate functions to validate answers and, when gaps are identified, develop improvement measures jointly with controlled affiliates to enhance their conformity level. In 2022, 81 controlled affiliates were selected to perform such verifications. Verifications are run every three years at least, and more frequently when ICSAs evidence material gaps. The Company's controlled affiliates are also asked to regularly evaluate risks *via* the Company's ERM system, and to regularly monitor them as part of their risk assessment process.

RISK MAPPING	Priority risk in the scope of	
	The Company	Suppliers and Contractors
ENVIRONMENT		
Climate change	✔	✔
HUMAN RIGHTS		
Impacts related to products and services	✔	
Impacts related to diverse and inclusive workplaces	✔	✔
Risk of forced labour		✔
Impacts related to sourcing of raw materials		✔
HEALTH AND SAFETY		
Exposure to hazardous substances and materials	✔	✔
Working environment	✔	✔
In situ contractor health and safety management	✔	✔
Mental health and wellbeing	✔	

Complementing the materiality assessment described further above, the Company reviewed in 2022 the list of its priority sustainability risks as shown above to help prioritise its actions. This process complements, and is fully integrated into, the Company's ERM process. It is based on contributions and inputs consolidated from a wide range of stakeholders and resources. This includes desktop research, interviews with key internal stakeholders and verification with internal and external stakeholders. The human rights risks identified were complemented and cross-analysed with product life cycle assessments – including sectoral inputs – and the Company's top health and safety risks.

Procedures for regularly assessing the situation of relevant subsidiaries, contractors and suppliers: The table below summarises effective procedures for regularly assessing the situation of relevant subsidiaries, contractors and suppliers. Specific relevant complementary information can be found in the respective material topic sections.

	The Company				Suppliers and Contractors	
	ICSA (Self assessment)	Internal assessment / audit	External audits (*e.g.* ISO)	Management system	Self assessment	Company (or *via* 3rd party) assessment
Environment	✔	✔	✔ ISO 14001[1]	✔	✔	✔
Health and Safety	✔	✔	✔ ISO 45001[2]	✔	✔	✔
Human Rights			✔		✔	✔

(1) 88% workforce currently covered.
(2) 25% workforce currently covered.

Prevention and mitigation actions: the table below summarises transversal mitigation / preventive actions.

	The Company				Suppliers and Contractors		
	Training	Whistleblowing system (see below)	Code of Conduct	Policies / directives	Contractual terms and conditions	Whistleblowing system	Supplier Code of Conduct
Environment	✔	✔	✔	✔	✔	✔	✔
Health and Safety	✔	✔	✔	✔	✔	✔	✔
Human Rights	✔	✔	✔	✔	✔	✔	✔

Alert / grievance and whistleblowing mechanism: The Company 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 Company's Code of Conduct. Employees can raise concerns with their line manager, their human resources business partner, a legal and compliance representative, or through the Company's "OpenLine" hotline (www.airbusopenline.com). OpenLine is anonymous where legally permissible. It covers all sustainability topics and is also available to external stakeholders including, affiliates and suppliers. The Company endeavours to ensure that the procedures to assess, investigate and manage allegations are well-aligned throughout the Company. For further information, see "– 1.2.14 Business Integrity".

Monitoring system: The table below shows an overview of the monitoring system in place. More detailed descriptions, as well as performance measures and analysis, can be found in the respective material topic sections.

	KPIs	Responsible management body	Supervisory committees	Controls
Environment Operations	CO_2 Scope 1, 2, Water, Waste	S&E Department / Environmental Roadmap		ERM, internal audit
Use of Products	Delivered aircraft CO_2 efficiency metric			
Health and Safety	Lost time injury frequency rate	Health and Safety Department	See governance chart in governance section above	ERM, internal audit
Human Rights	Nb of social assessments % of findings closed within 18 months	S&E Department / Human Rights Roadmap		ERM, site social assessments and supply chain assessments
Supply Chain	% suppliers at risk % action plan launched	Procurement / Sustainable Supply Chain Roadmap		ERM, audits Self questionnaires

Lead the Journey Towards Clean Aerospace

1.2.2   Climate Change

I.   Introduction

In line with the Company's purpose, "pioneering sustainable aerospace for a safe and united world", and its aim to lead the transition of the air transport sector towards its net-zero carbon emissions aspirational goal, the Company's foremost ambition as an aircraft manufacturer is to bring the first hydrogen-powered commercial aircraft to the market by the middle of the next decade, and to play a leading role in the decarbonisation of the aviation sector. In parallel, the Company is investing large resources into examining and reducing the impact of its products in operation together with all actors within the aviation sector. Consideration of greenhouse gas ("**GHG**") emissions throughout the value chain, which are predominantly carbon dioxide (**CO_2**) emissions, is a key focus for the Company's analysis of its contribution to climate change. The non-CO_2 effects of aircraft operations are also being studied in order to determine their potential contribution to the climate (see Transition plan – Product stewardship).

CLIMATE CHANGE	GRI	SASB		SDGs	Others
	302 Energy 305 Emissions	- Energy Management - Fuel Economy & Emissions in Use-Phase		9-12-13-17	TCFD Vigilance plan
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee / Environment Executive Steering Committee				
Related corporate policies	Environmental Policy, Code of Conduct				
Management system certifications / labels	EMS – Environmental Management System, ISO 14001 – 88% of workforce covered **SBTi-validated emission targets**				

KPIs	Target	2015 baseline	2021	**2022**	2022 vs. 2021	2022 vs. baseline
CO_2e[1] Scope 1 & 2 (ktons)	**2030: -63%** in line with 1.5°C pathway, and neutralising residual emissions	1,126	809	762	-5.8%	-32%
Energy from stationary sources[2] (GWh)	**2030: -20%**	3,108	2,717	2,594	-4.5%	-16.5%
CO_2e Scope 3 intensity Delivered aircraft efficiency intensity (gCO_2/km.pax)	**2035: -46%**	88.8	66.3	64.4	-2.9%	-27%
Supply chain CDP engagement	"Maintain at least 75% of sourcing volume of suppliers invited to CDP who have responded"		68%	78%	+10p.p.	

Other key metrics (More metrics available in the ESG Data Board)	2021	**2022**	2022 vs. 2021
Scope 3 – Cat 11 – commercial aircraft – SAF as per IEA-SDS scenario (CO_2e ktons)	400,611	425,454	+6.2%
Scope 3 – Cat 11 – commercial aircraft – "no SAF" scenario (CO_2e ktons)	458,738	494,893	+7.9%
Scope 3 – Cat 11 – other products (incl. military aircraft and helicopters, CO_2e ktons)	9,343	10,703	+14.5%
Scope 3 – Cat. 1 – Purchased goods and services (CO_2e ktons)	8,439	N/A	N/A
CDP Rating	A-	A-	Stable
Percentage of responding suppliers to the CDP scoring A or B	53%	66%	+13p.p.
Remuneration	CO_2 performance included in CEO, Executives and "Level IV" managers variable remuneration. Targets (on TCO scope): -5% in 2022, 687ktons CO_2e or -0.9% in 2023. 2022 performance: -8.5%.		
KPI assumptions	Metrics: see "– 1.2.17 ESG data board"; targets: see "- IV. Transition plan". [1] CO_2 equivalent ("**CO_2e**"). [2] Energy consumption from stationary sources and electricity.		
Additional resources	Environmental Policy Statement↘, Sustainability on Airbus.com↘, Environment on Airbus.com↘, CDP Climate Change Questionnaire on Airbus.com↘ and on CDP website↘, ATAG Waypoint 2050↘, IEAG – GHG Reporting Guidance↘, IEA – Aviation report↘, IPCC AR6 report↘, Clean Sky initiative↘, SESAR initiative↘, CEDAR Chair "Chair for Eco-Design of Aircraft" together with ISAE-SUPAERO↘, ATM decarbonisation potential by Eurocontrol↘		

Climate change is considered by the Company as a financially material topic and is one of the top Company risks (see "– Risk Factors - Environment, Human Rights, Health & Safety Risks"). Impact materiality was also confirmed through the comprehensive Scope 1, 2 and 3 screening completed in 2022 in the framework of the Company submitting targets for validation of the Science-Based Target initiative ("**SBTi**"), using the recommended Greenhouse Gas Protocol methodology.

While Scope 1 & 2 represent less than 0.2% of total emissions each, Scope 3 category 11 – Use of sold products – has been identified as highly material for the Company, representing above 90% of total emissions. The second most material was Category 1 – Purchased goods and services, representing around 2.5% of total emissions (see figures in table below). For those categories, more precise methodological inventories have been developed (see "– 1.2.17 ESG Data Board – Environmental performance").

Scope 3 – Use of sold products – commercial aircraft: >90%

Scope 3 – Use of sold products – other products: <3%

Scope 3 – Purchased goods and services: <3%

Scope 1 & 2: <1%

Scope 3 – Total of other categories: <1%

CO_2 emissions from commercial aircraft in operation appear to be the most material category. According to both the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), air transport represented over 2% of global man-made GHG emissions in 2021. While this makes the decarbonisation of aircraft operations the absolute priority, addressing emissions from upstream industrial operations, including the Company's own, is also seen as an important objective. In this context, the Company's roadmap to decarbonisation is intrinsically linked to the entire sector's. While the Company has a direct and critical role in developing and providing technical solutions, the concomitant development of adapted ecosystems will also be a key success factor, which the Company intends to facilitate and enable.

In addition, in order to better meet stakeholders' expectations and develop its own climate strategy, the Company adheres to the CDP (formerly Carbon Disclosure Project), SBTi and TCFD initiatives. In 2022, the Company's approach to climate change was rated A- by the CDP for the third consecutive year. In addition, the Company has recently set its first near-term science-based targets to reduce emissions on all scopes, in line with a 1.5°C temperature pathway for its Scope 1 & 2 emissions, which were submitted to SBTi in June 2022 and validated in January 2023. The following sections gather information related to the four pillars of the TCFD framework, of which the Company has been a supporter since December 2020.

II. Governance

Environmental Policy

The Airbus Environmental Policy is the top level definition of the guiding principles, vision, mission and associated initiatives for the environment. The policy applies company-wide, including to affiliates where the Company owns more than half of the voting rights or the right to appoint the majority of the board directors (to the extent that the shareholders agreement and/or the level of control in force in each relevant affiliate allows it). The policy also covers the Company's employees and contractors while at the Company's sites or at work under the responsibility of the Company. It takes a holistic approach to measuring and acting upon the Company's environmental performance by assessing the environmental impact of internal operations, as well as providing capabilities to the Company's customers to reduce the impact of the products in operation. This also means introducing a lifecycle perspective and mitigating the risks and impacts at all stages of the life-cycle: from the procurement of raw materials, through the design and manufacturing of products, to their in-service life until their retirement.

Organisation and Responsibilities

Two main management structures are relevant for the governance of sustainability matters and climate change: the Board of Directors and the Executive Committee.

As mentioned earlier, the Board of Directors is supported by the ECSC. In practical terms, the ECSC, as a committee of the Board of Directors, oversees strategic decision-making and the execution of the approved sustainability strategy, including areas such as innovation and environmental and climate action.

In 2022, the ECSC reviewed and provided guidance on a wide variety of climate-related topics, including the SBTi targets, SAF, and decarbonisation of the supply chain.

To support the Executive Committee in environmental matters, especially climate-related, an Environment Executive Steering Committee ("**EnC**") was established in 2019. The EnC is composed of members of the Executive Committee and senior executives company-wide responsible for environmental topics. It meets once a month to review progress and take decisions on all matters related to environmental strategy. The EnC reviews climate change related topics, including the progress on meeting objectives to reduce GHG emissions, the decarbonisation strategy and climate-related risks.

Environmental operations are led by the Sustainability & Environment department (described earlier), whose role is to guide the business on environmental matters and to set the policy and deploy, drive and improve the Environmental Management System ("**EMS**") throughout the Company.

The Company's EMS is based on ISO 14001:2015. It was recertified in November 2022, having previously confirmed by certification surveillance audits in 2020 and 2021. The Company's environmental strategy is implemented operationally by dedicated multi-functional teams at corporate and/or divisional level. These cover topics such as industrial and site impact, product operation, supply chain or chemical substances.

Disclosure of Environmental Indicators

The Company actively monitors its environmental data throughout the organisation in order to measure the environmental impact of its operations, track its performance and communicate information on environmental matters to internal and external stakeholders. Since 2010, environmental data published by the Company has been verified by external auditors. This data is included in the ESG data board at the end of this section.

Capturing Emerging Regulatory Requirements, Stakeholder's Expectations and Trends

In order to be aware of fast-evolving sustainability regulations, requirements and expectations that could impact its business, a "Sustainability Regulatory Intelligence" team monitors regulatory developments with a view to understanding, evaluating, anticipating and preparing for legal and regulatory requirements that apply to the Company's activities and products. This Sustainability Regulatory Intelligence team covers sustainability-related topics, including: environment, human rights and sustainable finance.

III. Risk Management

Environmental risks and opportunities are managed following the Company's ERM system. A specific sustainability and environment ERM plan integrates additional requirements, defined within the ISO 14001:2015 certified EMS, and provides a set of rules applicable company-wide, to ensure a consistent management of environmental risks and opportunities.

Relevant criteria for the evaluation of environmental risks and opportunities include: financial impact, impact on environmental performance, and impact on EMS certification, as well as legal, supply chain and reputational aspects.

Risks and opportunities are reported quarterly to the Executive Committee of the Company and of its Divisions, including climate-related risks. Top risks are consolidated at Company level to be brought to the attention of the Board of Directors and reviewed semi-annually.

Climate-Related Risks and Opportunities

In accordance with TCFD recommendations, the Company is strengthening its ERM risk identification process for climate-related risks and opportunities, incorporating climate scenario analysis. Climate-related risks (adaptation and mitigation) shall be deemed to be incorporated by reference and form part of the non-financial information. The Company used three temperature climate scenarios: 1.5°C, 2°C and 3°C; and three time horizons: short-term ("**ST**", around 2025), medium-term ("**MT**", around 2035) and long-term ("**LT**", around 2050) in identifying climate-related risks and opportunities. The assessment of risks and opportunities identified by the Company is subject to revision as the methodology and process further mature.

Climate risks and methodology (including description of used scenarios) are described in "– Risk Factors – Environment, Human Rights, Health & Safety Risks". They are complemented by the following opportunities identified:

– energy diversification – energy source: Exploring and identifying new business opportunities in the field of renewable and low-carbon energy (incl. through partnerships and collaboration with stakeholders) in order to position the Company in the energy value chain and contribute to the Paris Agreement temperature goals;

– demand for energy-efficient products – market: Demand for more energy-efficient products (driven by increased energy costs, carbon pricing and voluntary climate commitments) or products allowing the use of other energies could lead to an accelerated airline fleet replacement and to new business lines;

– growing market for Earth observation, atmospheric and weather data monitoring services – Products and services: Increased need for Earth observation, atmospheric and weather data services (including but not limited to the following sectors: aviation, agriculture, finance and insurance) could increase market demand for certain products and services of the Company, and lead to the creation of new business opportunities.

The outcome of the Company's qualitative analysis is synthesised in the following table:

Company's climate-related risks and opportunities mapping	Climate scenario / time horizon(s) where risk or opportunity likelihood is considered medium or high, based on Company's qualitative analysis		
RISKS (see "– Risk Factors" for full description)	**1.5°C**	**2°C**	**3°C**
Transition – Technology	▶▶▶	▶▶▶	▶▶▶
Transition – Market	▶▶▶	▶▶▶	▶▶▶
Physical – Chronic	▶▶▶	▶▶▶	▶▶▶
Physical – Acute	▶▶▶	▶▶▶	▶▶▶
OPPORTUNITIES			
Energy source	▶▶▶	▶▶▶	▶▶▶
Market	▶▶▶	▶▶▶	▶▶▶
Products and services	▶▶▶	▶▶▶	▶▶▶

▶ ▶ ▶: ST – ▶ ▶ ▶: MT – ▶ ▶ ▶: LT

Mitigation actions the Company has engaged, including to address these risks and opportunities are presented in the following "IV. Transition plan" section.

IV. Transition Plan

Based on identified risks and opportunities, the Company has established a transition plan covering its industrial operations, products and services, supply chain, employees and communities, including relevant targets, against which performance is monitored and reported. Regarding GHG emissions, this plan was based on a scientific approach and is consistent with the aviation sector's decarbonisation long-term aspirational goal of reaching net-zero carbon emissions by 2050. Its success will depend on coordinated collaboration with numerous players in the sector.

The Company strives to have the aviation sector engaged to work towards and contribute to a just transition to a low-carbon economy, whereby air transport's decarbonisation journey is fair and inclusive. According to the International Energy Agency, based on the remaining global carbon budget and the share allocated to air transport, air transport can grow at a certain level and meet the Paris Agreement objectives. This relies in part on technological developments to improve the efficiency of air transport, in which the Company has a critical role to play. This approach also echoes "net zero carbon 2050" ambitions from international sectoral bodies such as the Air Transport Action Group (ATAG), as well as the UN specialised civil aviation body, the International Civil Aviation Organization. This is consistent with the Company's mid-term target setting, covering all three scopes, and with its core product policy that focuses on developing and delivering aircraft with lower carbon emissions while engaging with the energy ecosystem (see section 2. Product stewardship).

The cost of such a transformation of the sector is expected to be substantial. In particular, the carbon price (through taxation, emissions trading and crediting schemes) and the extra cost for SAF and/or higher investments are likely to materially impact business models of operators. However, even if reportedly difficult to predict, according to a study published in 2022 by ATAG named "What will it cost to get to net-zero carbon for global aviation?", these extra costs could be offset to a large extent by more efficient operations, especially where markets are developing. This could mean limited consequences on air fares, with differences across regions. Ultimately, the overall affordability of air travel could remain relatively similar, and so; access to air travel should be preserved for the greatest number of people, according to the report.

The required transformation of the sector also implies the emergence of new technologies and associated ecosystems, with expected impacts on jobs and required skills. Preparing the workforce for such changes will be both a social duty and an important success factor. Conversely, if uncontrolled, the development of these technologies and energies could have undesirable side effects, such as inappropriate land use impacting local communities and human rights. The Company will strive to influence the ecosystem to consider and avoid these impacts, and to engage accordingly with any relevant stakeholders in constant dialogue.

1. Industrial Operations

		Commitments	2022 Progress
CO_2 emissions Scope 1&2 *Absolute figures*	2030	**Target -63%** (SBTi-validated) *vs.* 2015 neutralisation of residual emissions aligned with 1.5°C pathway	**-32%** ▶▶▶▶▷▷▷▷▷ -63% *51%-to-target*
	2022 2023	*Target (TCO scope): -5% vs. 2021* *Target: 687 ktonsCO₂e (-0.9% vs. 2022)*	*2022: -8.5% reported* *(3.5p.p. overachievement)*
Energy consumption *Absolute figures*	2030	**Target -20%** *vs.* 2015 from stationary sources	**-16.5%** ▶▶▶▶▶▶▶▷▷ -20% *83%-to-target*

The Company has defined targets and ambitions for its own operations.

CO_2 emissions:
– reduce direct (scope 1) and indirect (scope 2) net GHG emissions by 63% by 2030 compared to 2015 across the whole Company reporting scope. This target is in line with a "1.5°C" pathway and was validated by SBTi in January 2023. As an additional voluntary commitment, the Company has committed to compensating all residual emissions for scopes 1 & 2 from 2023 and gradually switching to using only carbon removals from 2030 and onwards;
– beyond the mid-term plan, the Company's ambition is to pursue reducing emissions aligned with a 1.5°C trajectory towards 2050. In order to do so, it is evaluating the future application of the SBTi Net-Zero standard and removing residual emissions as an additional voluntary commitment;
– interim targets are set in line with the Company's 2030 roadmap. They refer to a material sub-scope of its operations representing 89% of total reported emissions in 2022, on which the Company can have a more direct control and influence (see below). This target was set in absolute value at 687kt CO₂e for 2023 (or -0.9% *vs.* 2022) on a scope extended to another four sites.

For performance monitoring purposes, the Company refers to Scope 1 & 2 market-based proxy – "market-based (location-based net of REC)", i.e. location based with purchased guarantees of origin deduced. The Company is working towards improving data collection and market-based methodology implementation. Meanwhile, this metric is used by the Company to measure its progress towards its 2030 target, in order to be able to take into account the contribution of its electricity sourcing on its industrial decarbonisation target. This refining of methodology is expected to trigger restatements in the coming years, including that of the 2015 baseline.

Energy:

– reduce final energy consumption from stationary sources and electricity by 20% by 2030 compared to 2015 across the whole Company reporting scope.

In order to deliver its ambitions, the Company has developed a comprehensive action plan for both stationary (ground-fixed assets) and mobile sources (vehicles such as cars, trucks or aircraft). This takes into account both efficiency and decarbonisation measures, complemented by an offset strategy for residual emissions.

This roadmap was further strengthened in 2022, and, together with proof points, can be synthesised as follows:

	Stationary sources ~70% of energy consumption (*e.g.* heating, cooling, manufacturing processes)	Mobile sources ~30% of energy consumption (*e.g.* ground vehicles, "Beluga" air transport operations, flight test)
Energy efficiency measures	**Substituting energy-intensive assets by energy-efficient ones and optimising energy consumptions.** In order to meet the -20% target by 2030, a portfolio of projects was identified and phased, including low-energy lighting, improved insulation, voltage management, energy-efficient heating and cooling or optimised ventilation system, as well as enabling projects such as extending metering network, and enhancing energy monitoring solutions. - In 2022, 17,500 fixed phones were removed across European sites. In France, it represented electricity savings of 920MWh. - The installation of a compressed air management system in Donauwörth has saved approximately 150MWh. - In Broughton, *automatic standby* in Paint Shops during weekends and shutdowns has already led to energy saving of 340MWh. - In the context of the energy crisis in Europe, the Company undertook a number of actions to contribute to the collective effort as a corporate citizen. This included reducing heating systems temperature by 1°C in its European sites, reducing heating device energy consumption by about 7%, and diverting from the use of gas to other sources of energy where possible in German sites.	**Switching to lower emission vehicles where possible and avoiding emissions through better planning of flights and logistics.** - Since 2022, new Beluga jigs and tools have enabled each logistic flight to transport two A350 wings instead of one previously. - Deployment of Airseas Seawing (see hereafter "other initiatives") for vessels: the experiment on the "Ville de Bordeaux" transatlantic logistic vessel started in December 2021 continued in 2022.
Transition to low carbon energy sources	**Ambition to secure at least 90% renewable or low-carbon electricity direct supply to all sites in Europe before 2030.** This will be achieved with the implementation from 2023 of power purchase agreement (PPA) contracts and a combination of local projects (wind, solar), complemented by electricity generated from nuclear power. The amount of electricity purchased through the PPA contracts will increase progressively. - The renewable power purchase agreement (PPA) project launched in 2020 reached a major milestone in 2022 with the validation of renewable and low-carbon power purchase requirements as well as finalising the selection of suppliers. The Company is making progress on contracting for 2023 and 2024. **All remaining purchased electricity in Europe will be covered by guarantees of origin (GoOs) from 2024.** In 2030, this will represent a maximum of 10% of consumed electricity. - Since 2019, the share of electricity consumption from industrial operations in Europe which is covered by GoOs has increased annually by 10%, exceeding 40% in 2022. In addition, the Company is investigating similar opportunities in other regions (*e.g.* USA, China). **More efficient heating systems energy sources.** - The installation of a combined heat and power plant (CHP) in Donauwörth led to a further saving of 1,800t of CO_2. - An *Enthalpy Recovery* project in Illescas and energy consumption by 1,089MWh resulting in about 380t CO_2e saving.	**Using lower carbon fuels (*e.g.* SAF). The share of SAF used in the Company's own operations will progressively increase to at least 30% by 2030.** The Company set an interim target of 10% in 2023 for its commercial aircraft activities and its Helicopters Division. This will concern flight tests, delivery flights and logistic flights (Belugas). In addition, the Company also started using sustainable fuels for its maritime logistics. - Since 2019, SAF has been used in the operation of the Company's Beluga transport aircraft for the purpose of internal logistics. - In 2022, flight test activities in both Divisions started using SAF. In total, an estimated 4,823 tons CO_2 were saved during the year when compared to conventional kerosene.

| Carbon offset strategy	**The Company has committed to remove 100% of its residual emissions by 2030, which will represent around 400kt CO_2e in 2030.** It will start with compensating all remaining emissions from 2023, with a gradual phase-in of carbon removal solutions to cover 100% of residual emissions by 2030. Both nature-based and technology-based solutions are considered, in alignment with the Intergovernmental Panel on Climate Change reports.
	Since 2019, the Company has introduced a mechanism to compensate for its business travel emissions based on the concepts of additionality, real (permanent) reduction, prevention of double counting, prevention of overestimation and no additional harm. *As a minimum, the carbon offsets purchased by the Company are certified by the Gold Standard or Verra or Verified Carbon Standard or Climate, Community and Biodiversity Standards and the supplier needs to show proof of how each one of the mentioned criteria was met. In addition, understanding that these carbon offsetting programmes may have gaps in their methodologies, additional proof is requested of how such gaps are managed by the provider. Moreover, societal aspects are considered, such as prevention of child labour, respect of human rights and relations with the communities surrounding the projects.*
	The volume of offsets required in 2022 was around 45ktCO_2e procured through offset producer South Pole in the form of a cluster of compensation and removal projects: aforestation (VCS), landfill gas and waste gas (GS-VER), forest conservation (VCS-CCBS). This contract with the South Pole has been reviewed to cover the full volume of 2023 residual emissions, estimated to be over 700kt CO_2e. In addition, the Company plans to secure 2024-2030 volumes well in advance. Terms will meet underlying principles of progressive transition towards 100% removals, as well as a relevant mix of nature-based and technology-based solutions. – In 2022, to foster tech-based solutions development, the Company has partnered with 1PointFive, a US company, and has pre-purchased 100,000 tons of carbon removals per year over four years – or 400,000 tons in total – as part of an initial offtake. A portion of these volumes will be allocated to the Company's scope 1 & 2 offset strategy.

As an enabler for consistent decision making, the Company uses an **internal carbon price** to support investment with positive energy and CO_2 reduction impacts on operations. In 2021, this price was updated from 30 €/tCO_2 to **150 €/tCO_2**, giving a clear signal to project leaders on the importance of CO_2 footprint reduction and enabling an acceleration of project portfolio implementation.

Tracking Progress and Performance

In 2022, scope 1 & 2 GHG emissions have decreased by around 5.8% (-8.5% on TCO scope), exceeding the target, primarily due to four factors: the acceleration of energy saving investments and of SAF usage (that reached over 3% of the Company's total aircraft fuel consumption (see above)), the lower-than-planned industrial ramp-up, the deployment of additional energy saving measures in the context of the energy crisis, as well as clement weather conditions especially over the last months of the year.

TCO	Target	2021	**2022**	YoY Change
CO_2e (in ktons)	-5%	741	678	-8.5%
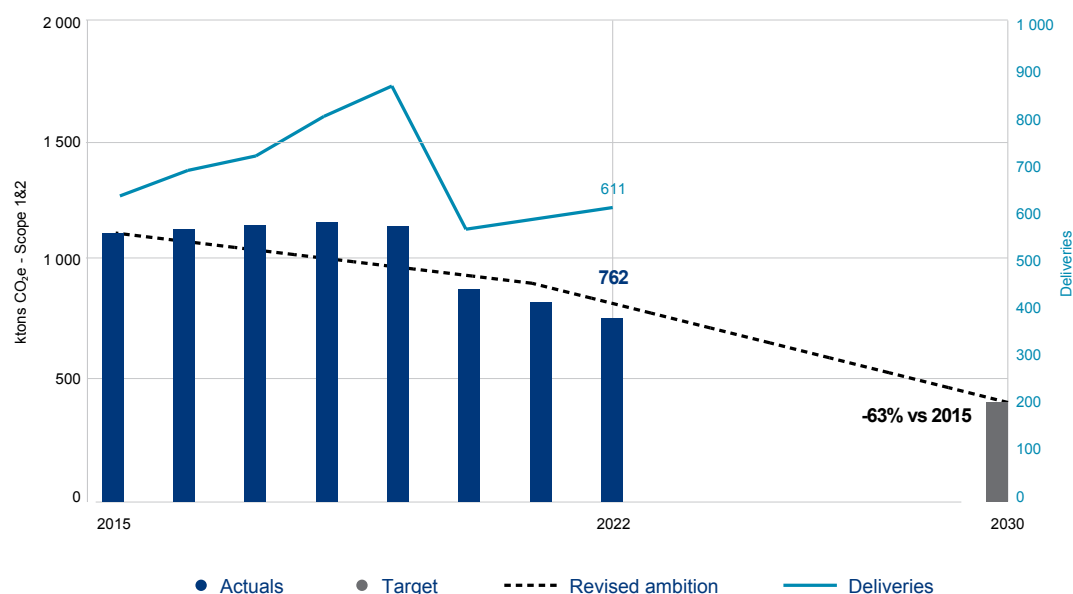
Verified by EY®, based on limited assurance.

*The TCO scope is reviewed annually. It covered 89% of total emissions in 2022. Data were updated to reflect change in TCO scope accordingly. Geographical scope: In 2022, **48 sites**. Scope of metrics: Scope 1 & 2 and notably excluding refrigerant leakage, electricity on site from CHP, emissions due to processes, as well as excluding DFO for 12 sites and heating for one site representing less than 4 ktons CO_2e in total. Scope 2 is location based with purchased guarantees of origin deduced.*

Additional performance metrics are disclosed in "– 1.2.17 ESG Data Board – Environmental performance".

2. Product Stewardship

		Commitments	2022 Progress / performance
CO_2e Scope 3 intensity Delivered aircraft efficiency (gCO₂/km.pax)	**2035**	**Target -46%** *vs.* 2015 SBTi-validated	**-27%** ▶▶▶▶▶▶ ▷ ▷ ▷ -46%
	2050	Support *sector's "net zero CO_2 ambition"*	*60% achieved-to-target*

In 2022, the Company defined a target for its Scope 3 category 11 (use of sold products) for commercial aircraft products, covering over 90% of its total emissions:

– **CO_2:** reduce scope 3 (category 11 – use of sold product) for commercial aircraft by 46% in terms of CO_2 per passenger-kilometre. This target, alongside the Company's scope 1 & 2 target, was validated by SBTi in January 2023, showing the Company's GHG reduction targets are aligned with the goals of the Paris Agreement adopted at COP21 in December 2015. It was set based on the carbon budget allocated to aviation by the International Energy Agency in its Sustainable Development Scenario (SDS);

– this is a physical intensity target, in line with the SBTi recommendations, and highlighting the importance of technology and aircraft carbon efficiency for the decarbonisation of the sector. The metric is based on the Company's corresponding scope 3 Use of Sold Product for commercial aircraft. In alignment with SBTi methodology, it now includes emissions from upstream fuel production and predicted average SAF usage over the aircraft lifetime as per IEA SDS (ETP 2020) scenario. See "– 1.2.17 ESG Data Board – Environmental performance" for detailed methodology.

The Company is committed to contributing to meeting the Paris Agreement targets and to taking a leading role in the decarbonisation of the aviation sector in cooperation with all stakeholders. Consequently, the Company is developing a multi-faceted climate-impact programme for commercial aircraft. This includes a focus on new aircraft technology development, SAF, hydrogen, air traffic management (ATM) solutions, and carbon removal solutions.

The aviation industry's roadmap towards carbon neutral emissions by 2050
Source: the Company, based on ATAG Waypoint 2050 report (2021) - Scenario 3: "aspirational and aggressive technology perspectives"
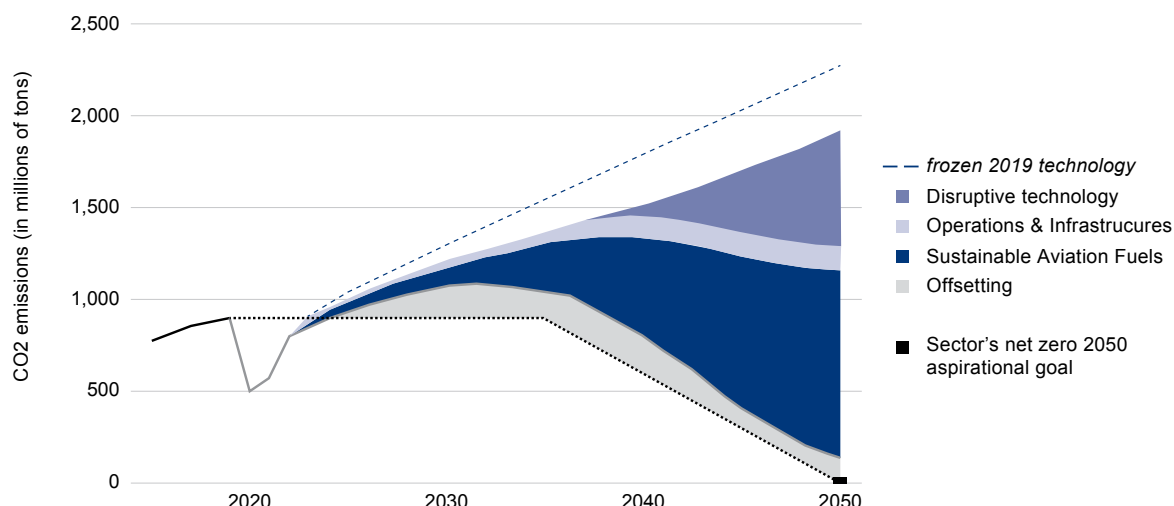
Aviation Industry Targets

The efforts of the aviation sector to reduce its environmental footprint started decades ago, with significant achievements to report. Since the 1990s, the sector has improved significantly the fuel and CO_2 efficiency of subsequent generations of aircraft, thereby reducing CO_2 emissions per revenue passenger kilometre by more than 50% (according to ATAG). In 2009, the aviation sector was the first to agree at sectoral level on ambitious CO_2 emission reduction goals through ATAG by committing to an aspirational goal of reducing net emissions from aviation by 50% by 2050 compared to 2005 levels. In September 2021, ATAG updated its ambition and commitment with the 2021 edition of the "ATAG Waypoint 2050" report to reflect the industry's increased ambition to achieve "net-zero carbon emissions" by 2050 and contribute to the Paris Agreement goals. Along with the revised ambition, ATAG provided several scenarios with ranges of improvement for each mitigation option (technology and design improvements, operational and ATM enhancements, SAF (drop in) and hydrogen (non drop-in) solutions, and market-based measures including ICAO's Carbon Offsetting and Reduction Scheme). In the most ambitious scenario, a reduction of up to 40% of CO_2 emissions can be achieved through technological developments, as illustrated by the graph.

In Europe, the EU Green Deal creates conditions and opportunities for the Company and the European aviation industry to accelerate the transition. The Company supports the ambition to reach a net-zero carbon aviation ecosystem in Europe by 2050, and will contribute to the EU's "2030 Climate Target Plan". At the international level, in October 2022, ICAO member states adopted a long-term aspirational goal (LTAG) that sets the objective of net zero carbon emissions in 2050 for international civil aviation operations. This paves the way for the transformation of the aviation sector on a level playing field and will accelerate the development of mitigation measures such as fleet renewal, aircraft and engine technologies, alternative energy sources such as SAF or green hydrogen, and the optimisation of the operational practices and air traffic management enhancements. The Company fully supports this international achievement.

The Company's roadmap to reducing emissions

In this context and as a core axis of its strategy, the Company aims to accelerate the development of lower emission technologies in order to market lower carbon aircraft such as hydrogen-powered aircraft. Fostering the ecosystem readiness including associated infrastructure and the dynamic deployment of SAF will be another priority, in order to achieve the ambition while minimising the recourse to offsetting, as presented below.

▶▶▶ **Strategic pathway 1**   **Renew current fleets with best-in-class aircraft**

Around 75% of the global commercial aircraft fleet is still made up of older generation aircraft, while **latest generation aircraft are up to 25% more efficient** than the previous generation. Renewing the fleet therefore offers immediate huge potential for aviation decarbonisation. The Company's commercial aircraft portfolio includes the most efficient aircraft:
- A350 and A330neo offer 25% reduction in fuel burn and significantly reduced noise footprint *versus* the previous generation of aircraft;
- the A320neo family brings a 20% reduction in fuel burn, and nearly half the noise footprint compared to previous generation of aircraft;
- A220 offers 25% reduction in CO_2 emissions per seat *versus* previous generation of small single aisle aircraft, 50% reduction in noise footprint and 50% fewer NO_x emissions than the standards.

The Company is continuously improving its products through new aerostructures designs and technologies, advanced materials, upgraded systems and more fuel-efficient engines aiming to achieve CO_2, NO_x and noise emissions reductions in operations.

> In 2022, 99% of the delivered commercial aircraft corresponded to latest generation aircraft (2021: 95%).

> Continuous improvement commitment is also reflected by the Company's contribution to Europe's CleanSky2 programme: a military aircraft C295 from the Company has been used as an in-flight technology demonstrator, Flight Test Bed.

▶▶▶ **Strategic pathway 2**   **Developing and deploying SAF, with all aircraft types 100% SAF compatible before 2030**

In order to accelerate its action plan, the Company strengthened its governance on this matter by creating a dedicated project team, responsible for the end-to-end SAF roadmap strategy and deployment.

Deliver technical capability

Although they currently represent a small share of aviation's fuel use, SAF are key for the air transport sector decarbonisation strategy. All the Company's commercial aircraft are already certified to fly with a fuel blend of up to 50% SAF. SAF produced by using most advanced pathways can provide CO_2 emission reductions of up to 80% throughout their life cycle. This means that already today, the emissions from aircraft currently offered by the Company could be reduced by ~40% if their full blending capability was used.

Looking ahead, the Company's ambition is to have **all its aircraft** platforms, including helicopters, **capable of being operated with 100% SAF before the end of the decade**.

The 50% limit is set today to ensure the blended SAF fits within the JetA specification, and thus can be used on aircraft with no modification. Going beyond this limit implies either modifying the aircraft, and surrounding infrastructure, to adapt to what would be a new fuel, "non-drop in", or working on a purely synthetic fuel that would fit within the JetA specification, "drop in" solution.

The Company is involved in two main research projects: VOLCAN (A319 with CFM engines) and ECLIF3 (A350 with Rolls Royce engines), conducted in partnership with important actors of the industry. Both projects aim at assessing the impact of 100% SAF (non-drop in) on engine and fuel systems while measuring the positive impact on aircraft's emissions and fuel efficiency. Both projects will pave the way for going beyond current maximum blending levels for SAF (currently 50%). They will allow the Company to collect information and enable further research activities and technical work in order to reach the goal of gaining 100% SAF certification for commercial flights.

> Since 2008, the Company has acted as an important catalyst in the certification process, demonstration flights, partnerships and policy advocacy of sustainable jet fuel.

> Since 2011, over 460,000 commercial flights have used SAF and more than 1 million flights with SAF are expected by 2025 (source: IATA, flynetzero, 2021).

> Besides ECLIF and VOLCAN projects, flight test campaigns started with the A380, with the A320 powered by P&W, and with the H225 helicopter (with both engines).

> Flight tests using blended SAF were also performed on the A400M and C295 military aircraft. The Company, the Organisation for Joint Armament Cooperation (OCCAR) and the A400M customer nations are engaged in initial discussions to develop the roadmap towards the certification and operational use of 100% SAF in military aircraft.

> In addition, the Company and other industry partners have carried out in 2022 the world's first 100% SAF flight using an in-service military aircraft.

"Prime the pump"

In addition, as an aircraft operator through its flight tests and internal logistics, the Company strives to "prime the pump" by demonstrating market demand (see industrial operations).

In the context of the developing regulatory frameworks fostering SAF market growth, the Company supports policies that would incentivise SAF production and usage at affordable costs. In particular, the Company is supporting and sharing industry best practices, looking at production levels assessment, life cycle analysis methodology and sustainability criteria and standards harmonisation.

❯ While the aviation sector contemplates an objective of 10% SAF globally by 2030, today's pipeline of demand hardly exceeds 20 Mtons, suggesting necessity for further acceleration.

❯ The USA Sustainable Skies Act targets 3 billion gallons annually by 2030.

❯ The EU's current "ReFuelEU" legislative proposal targets a 5% SAF mandate for 2030 growing to 63% by 2050 (including >28% synthetic e-fuels).

Foster SAF ecosystem readiness and partnerships

The Company believes a coordinated action of all actors could foster a 10% SAF penetration at the global level by 2030.

Today, SAF production is very limited. The price and global production capacity remain the main constraints for operators, preventing large-scale incorporation of these types of fuels. A rapid ramp-up is necessary to enable the aviation sector's ambitions and to decrease the emissions of the Company's product in use. Matching SAF production and demand is essential to achieve the establishment of the SAF market.

The Company supports decarbonisation scenarios which include an ambitious rollout of SAF using all possible pathways (HEFA, alcohol-to-jet, Fischer Tropsch, power-to-liquid, etc.).

Actions need to be global and associated with regulatory frameworks and incentivisation schemes. It is necessary to create market emergence conditions:

- give visibility and confidence to producers, be capable to attract investors;
- give access for end users (airlines) to enough volumes at a fair price, and maintain a level playing field for aviation.

Positive momentum is seen in the European Union and in the US. A similar pace for creating a favourable ecosystem is needed worldwide. Creating favourable conditions for the SAF market to develop can be achieved if stakeholders gather together in collaborative platforms such as Commercial Aviation Alternative Fuels Initiative (CAAFI) in the US.

As of 2022, 38 countries have implemented SAF policies to support the industry's ambition, according to IATA.

❯ The Company estimates that products delivered in 2022 will see their life-time emissions reduced by around 14% thanks to the gradual introduction of SAF during their operational life (compared to a "no SAF" scenario). This considers a SAF penetration scenario aligned with the IEA SDS (ETP2020), and with the Company's scope 3 disclosure and SBTI-validated target.

❯ The Company is engaged in many initiatives and partnerships promoting the development of SAF production and use, participating for instance in the World Economic Forum, including its "First Movers Coalition" and "Clean Skies for Tomorrow" coalition, and in the Coalition for the Energies of the Future.

This also includes partnerships with producers such as the agreement signed in 2022 with Neste, aiming to accelerate the aviation sector's transition to SAF.

❯ As a member of ICCAIA (through ASD), the Company has actively supported the activities of ICAO defining the 2050 net zero carbon long-term aspirational goal for civil aviation and continuously contributes to the Committee on Aviation Environmental Protection (CAEP) on SAF.

❯ The Company contributed to the 2019 study from which the French SAF roadmap was developed.

❯ In the UK, the Company is a member of the Jet Zero Council under which a SAF delivery group has been put in place.

Regarding SAF production, the Company supports CORSIA's standard emphasising the necessity to respect land rights and land use rights including indigenous and/or customary rights. The Company is committed to complying with local regulations and CORSIA's standard for its own usage.

▶▶ Strategic pathway 3	Investing in technologies to reduce product emissions

Disruptive engines and airframe to further reduce emissions

On the engine side, the Company is closely following innovations coming from the engine manufacturers, and supporting them to adapt their latest innovation to aircraft needs.

The wings are often referred to as the second main lever to reduce aircraft emissions. Several technologies are being studied such as:
- the Company's transnational research & technology programme, "wing of tomorrow", has successfully delivered a first full-size wing prototype or "demonstrator" that will help mature next-generation wing technologies;
- the completion of the first of three fully composite wing demonstrators marks the integration of more than 100 different component and manufacturing technologies that include an all-new industrial assembly system, and which have helped validate key automation targets;
- wing of tomorrow is particularly efficient thanks to the incorporation of lighter composite components and of a folding wing tip.

> In July 2022, the Company partnered with CFM to test flight the "open fan" technology. The open fan architecture is a key component of the engine maker's "revolutionary innovation for sustainable engines" (RISE) technology development programme – aims to demonstrate and mature a range of new technologies for future engines that could enter service by the mid-2030s.

The open fan engine will be tested on an A380 in the second half of this decade.

> The "eXtra performance wing project", launched in September 2021, improves wing aerodynamics and performance that is intended to be compatible with any future aircraft configuration and propulsion system to reduce CO_2 emissions.

In April 2022, The Company completed wind-tunnel testing of its eXtra performance wing demonstrator.

Hydrogen-powered commercial aircraft ambition by 2035

The Company believes hydrogen is one of the most promising technologies for reducing aviation's climate impact. If produced from low carbon electricity through electrolysis, it allows a significant reduction in overall emissions.

Aviation will be an end use application of hydrogen. The Company sees two primary uses for hydrogen:
- hydrogen can be used to directly power the aircraft by being combusted through modified gas-turbine engines or converted into electric power *via* fuel cells. The combination of both would create an efficient hybrid electric propulsion chain powered entirely by hydrogen;
- hydrogen can be used to create eFuels (power-to-liquid or power-biomass-to-liquid synthetic fuels in combination with carbon from biomass or enhanced carbon sink sources).

From hydrogen propulsion to hydrogen-based synthetic SAF, from pod configuration to blended-wing aircraft, the Company is evaluating, maturing and validating radical technological breakthroughs.

> In 2020 the Company revealed three different hydrogen-powered "ZEROe" concept aircraft. They illustrate the research that the Company is investing in with the objective to bring a hydrogen-powered commercial aircraft to market in 2035.

> Progress was made in key areas in 2022:
  - the launch of the hydrogen combustion engine A380-based demonstrator, in partnership with CFM;
  - the iron pod of a first fuel cell powered engine is ready to be tested in the EAS test house, and the launch of its associated demonstrator, also based on a modified A380;

> the launch of the Blue Condor demonstrator to study and assess the impact of non-CO_2 emissions induced by hydrogen combustion;

> the launch of "Zero-Emission Development Centres" around Europe (France, Germany, Spain in 2021; UK in 2022), and the first prototype of cryogenic tanks -and coldbox- tested with nitrogen and then hydrogen.

Foster hydrogen ecosystem readiness

The Company goes beyond technology maturation by collaborating with the wider ecosystem, and focusing primarily on the evolution of market needs and how they can be answered with low-carbon hydrogen. It has engaged in many partnerships, as well as collaborations and alliances with airports, airlines, and energy providers. Hydrogen can only become a substantial decarbonisation lever with the support of all stakeholders.

> In 2019, the Company signed a memorandum of understanding with airlines such as SAS Scandinavian Airlines and easyJet to jointly research a hydrogen-powered aircraft ecosystem and its infrastructure requirements.

> It has joined several major hydrogen alliances, such as the Hydrogen Council, Hydrogen Europe, and European Clean Hydrogen Alliance. It has launched in 2020 a joint-venture with ElringKlinger in order to benefit from the huge cross-industry experience of other industries, and accelerate its ambition.

> It also participates in The Fuel Cells and Hydrogen Joint Undertaking, European Clean Hydrogen Alliance, France Hydrogène, French *Conseil National de l'Hydrogène*, and the German Wasserstoffrat.

The ecosystem challenge (Multi-Parties Strategic Partnerships)

> The Company promotes the "H2 Hub at airport" concept in which partners will join forces to adapt the infrastructure to the use of hydrogen by aircraft, and more. In this context, it has signed partnerships with Delta, Wizz Air, Linde, Air Liquide, Changi Airport / Caas, Korean Air, Incheon Airport, Kawasaki Heavy Industries, Kansai Airport, Plug Power, Fortescue Future Industries, ANA, Air New Zealand, Vinci, Engie, AREC, group ADP, Bristol Airport, Hynamics, Hydrogen South West, SAVE SNAM and Milan Airport.

Electric flight

The Company's work in electric flight has laid the foundations for the future concept of lower carbon commercial aircraft. Since 2014, the Company has been exploring how recent technology advancements – from battery capacity and autonomy to electric propulsion – can help drive the development of new kinds of aerial vehicles with the potential for significantly reduced impact.

EcoPulse. The Company has partnered with Daher and Safran to develop a distributed hybrid-propulsion aircraft demonstrator with the support of France's CORAC and DGAC and for which it is providing battery technology and overseeing aerodynamic modelling.

Urban air mobility ambition. The idea for a compact "flying taxi" first came from the Company's desire to take city commuting into the air in a sustainable way. The Company has learned a lot from the test campaigns with two demonstrators, CityAirbus and Vahana. Beyond the vehicle, the Company is working with partners, cities; and city inhabitants in order to create the ecosystem that is essential for this new operating environment to deliver a sustainable service to society.

> In 2022, the Company partnered with Renault Group to advance research on electrification and mature technologies associated with next-generation battery systems. Engineering teams will focus on energy storage, which remains one of the main roadblocks for the development of long-range electric vehicles. This includes technology bricks related to energy management optimisation and battery weight improvement, and looking for the best pathways to move from current cell chemistries (advanced lithium-ion) to all solid-state designs which could double the energy density of batteries in the 2030 timeframe.

> The Company is also investing in the required facilities to test these new technologies. Inaugurated in 2019, the more than 3,000m^2 E-Aircraft System House ("EAS") is the largest test house dedicated exclusively to alternative propulsion systems and fuels in Europe. This means the Company can now test the latest electric motors and hybrid-electric engines directly on its own premises, and develop its own low-emission alternative propulsion units.

> In May 2018, the Company created the Urban Mobility entity to take its exploration into cutting-edge commercial urban air mobility solutions and services to the next level.

> The CityAirbus NextGen revealed in September 2021 strikes a balance between hover and forward flight. This product vision is intended to target the first markets/use cases and support the creation and maturation of the technology, business and industry.

| ▶▶ Strategic pathway 4 | Investing in smart air traffic management (ATM) solutions and optimised operations |

Improving the efficiency of air transport operations and infrastructure could reduce emissions by up to 10% (source: ATAG).

The Company therefore supports initiatives aimed at reducing ATM inefficiencies such as the Single European Sky Air Traffic Management Research programme ("**SESAR**"), while working on disruptive practices like formation flying. The Company also focuses on developing fuel saving procedures for airports and ground operations to minimise the use of engine power and auxiliary power units ("**APU**") while the aircraft is on the ground.

The Company organises face-to-face forums and webinars every year with airlines to exchange knowledge on how to improve ground and in-flight operational efficiency and using latest technological solutions. Namely, a "fuel efficiency network" has been developed with representatives of the ecosystem including airlines, ATM, engine manufacturers, airports and suppliers.

In November 2019, the Company launched the fello'fly project which aims to demonstrate the technical, operational and commercial viability of two aircraft flying closer together for long-haul flights. Through fello'fly, the follower aircraft will retrieve the energy lost by the wake of a leader aircraft by flying in the smooth updraft of the air it creates. This provides lift to the follower aircraft, allowing it to decrease engine thrust and therefore reduce fuel consumption in the range of 5-10% per trip.

Through its subsidiary Navblue, the Company provides services helping its customers to minimise fuel consumption with best operational practices, innovative services and training.

Through its subsidiary Metron, the Company provides solutions to airports, authorities and airlines to optimise air traffic management taking into account live congestion and weather condition data, hence reducing engines' running time and fuel burnt. In 2022, flights in the airspace of nine countries could benefit from it.

❯ Coordinated by the Company in the Single European Sky ATM Research programme (SESAR), ALBATROSS launched in 2021, is an initiative of major European aviation stakeholders to demonstrate how the technical and operational innovations the Company delivered in the past years can be combined and used all together to further reduce the environmental footprint of aviation on the short term. It includes technologies such as continuous climb and descent operations, flight trajectory optimisation with real-time transmission of four-dimensional trajectory data and hybrid "taxibot" assistance on ground operations.

❯ By end 2020, the Company's fello'fly demonstrator project had signed agreements with two airline customers, Frenchbee and SAS Scandinavian Airlines, as well as with three Air Navigation Service Providers (ANSP) – France's DSNA (*Direction des Services de la Navigation Aérienne*), the UK's NATS (National Air Traffic Services) and European Eurocontrol – to demonstrate its operational feasibility. In November 2021, two A350 test aircraft conducted the first-ever transatlantic fello'fly flight confirming the potential for fuel savings of more than 5% during long-haul flights.

❯ In 2022, Metron's ATM optimisation solution deployment was further extended to Qatar and expanded in Singapore. It is estimated that some 2Mt CO_2 were avoided in 2022 by the global fleet thanks to this innovation.

| ▶▶ Strategic pathway 5 | Encouraging temporary CO_2 emission compensation schemes |

Finally, CO_2 emission compensation will be instrumental to stabilising aviation emissions in the medium term until disruptive solutions reach market maturity. For that reason, the Company supports ICAO's CORSIA scheme as the only global market-based measure for international civil aviation.

The Company believes that direct air carbon capture and storage (DACCS) is a high-potential technology that could turn out to be meaningful in carbon schemes applicable to aviation at some point. It involves capturing CO_2 emissions directly from the air using high powered fans. Once removed from the air, the CO_2 can be used to produce power-to-liquid SAF that is drop-in compatible with today's aircraft. As the aviation industry cannot capture CO_2 emissions released into the atmosphere at source, captured atmospheric CO_2 can also be safely and permanently stored in reservoirs within rock formations. This latter carbon removal solution would allow the sector to extract the equivalent amount of emissions from its operations directly from the air, thereby removing residual emissions.

❯ In 2021, the Company and a number of major airlines – Air Canada, Air France-KLM, easyJet, International Airlines Group, LATAM Airlines Group, Lufthansa Group and Virgin Atlantic – have signed Letters of Intent (LoI) to explore opportunities for a future supply of carbon removal credits from direct air carbon capture technology.

❯ In 2022, the Company partnered with 1PointFive and pre-purchased 400,000 tons of carbon removals (see *Offset Strategy* above). It also invested in Carbon Engineering Ltd., a Canadian-based climate solutions company, operating the largest Direct Air Carbon Capture (DACC) Research & Development facility in the world.

Non-CO_2 Effect Impacts

Aircraft engines produce emissions linked to the fuel combustion and indirect emissions formed in its wake. Those emissions, which have an impact on climate when flying in high altitudes, include CO_2, nitrogen oxides (NO_x), water vapour (H_2O), nvPM (non-volatile particulate matter of black-carbon or soot), sulphur oxides (SO_x) and condensation trails. Depending upon prevailing weather conditions, altitude and geographical location, non-CO_2 emissions can change the chemical composition of the atmosphere and the cloudiness, which in turn affect the climate. CO_2 emissions contribute to increased atmospheric CO_2 concentrations, which induce a low and positive radiative forcing, but with cumulative effects due to the long lifetime of this greenhouse gas in the atmosphere. Non-CO_2 emissions do not have the same cumulative effect as CO_2. Non-CO_2 forcers

such as contrail-cirrus and NO_x are short-lived components that have stronger, but time-limited effects. Uncertainties are still high on the exact impact of non-CO_2 emissions of aviation. Lee et al. 2020, states that uncertainties around the contribution of non-CO_2 emissions on aviation's net effective radiative forcing (ERF) are ~8 times higher than those of CO_2.

Non-CO_2 emissions can have both positive and negative radiative impacts. In particular, contrail-cirrus can have large cooling or warming effects depending on several factors such as their location and time of generation, spatial coverage, lifetime, or optical properties (ice crystals size, shape, density), though the effect at night is exclusively warming.

The Company is actively working on a large portfolio of projects focused on increasing the understanding of non-CO_2 emissions generation, their evolution and their climate effects, but also to evaluate and develop solutions covering several promising mitigation options impacting three well-identified domains: through the use of new energies such as SAF or hydrogen, enhanced engine technology and flight operations (implementation of operational/ATM measures). These include:

– on SAF, the ECLIF and VOLCAN projects included a DLR's Falcon aircraft, flying within 100m behind the Company test aircraft fuelled with 100% SAF, to capture and analyse in-flight data. The preliminary observations show a positive impact of SAF on aircraft emissions, and the tests will continue in 2023;

– on hydrogen, the Company launched Blue Condor in 2022, a demonstrator taking a modified glider up to 33,000 feet to analyse hydrogen combustion's impact on contrail properties. The result of this analysis will provide critical information on aviation's non-CO_2 emissions, including contrails and NO_x, in advance of the ZEROe demonstrator flight testing;

– on operational measures, the Company announced in 2022 its participation in the Contrail Impact Task Force, a cross-sector cooperation led by the RMI (Rocky Mountain Institute) to explore opportunities to address the warming impact of certain contrails. It also submitted a project proposal in the frame of SESAR 3. If selected – expected early 2023, as expected, the Company's project (due to start in 2023) will run for three years with the objectives of improving weather forecasting capabilities, improving climate impact assessment, defining a climate-optimised concept of operations and trialling system solutions at aircraft and ATC level. The project will bring together experts and partners from climate science, meteorological institutions, airlines, manufacturers and air traffic control. to focus on effective and operationally viable solutions to aviation non-CO_2 emissions.

Products and Services Supporting Climate Monitoring and Adaptation

Climate change-related disasters are set to become more intense and frequent. This will require immediate action from rescue teams for whom the Company's products play an important role. For instance, the Company's helicopters are used by public authorities around the world in missions linked to disaster risk management, including medical evacuation, search and rescue or firefighting operations. In 2022, around 20% of delivered helicopters were equipped for such missions.

Military aircraft platforms can play a crucial role in the protection of populations from natural disasters, such as for example during the aftermath of hurricane "Irma" in 2017 when several European nations used their A400M and C295 aircraft to transport first aid and humanitarian equipment to several impacted Caribbean islands. In July 2022, a removable firefighting demonstrator kit was successfully tested on the A400M airlifter during a flight test campaign in Spain. Due to its low-level flight capability and manoeuvrability at low speeds, the A400M can accurately drop payloads of water at very low heights, down to 150ft.

The Company's space products also play an important role in the understanding of climate phenomenon and monitoring of their evolution. Today, 20 of the Company's satellites are involved in climate change monitoring and an additional 20 are in development. As climate adaptation entails preparing for natural disasters, this critical geospatial data enables the Company to deliver data that helps governments and humanitarian agencies predict and manage disasters. Earth-observation satellites allow the monitoring of deforestation, rising sea levels and GHG emissions in the atmosphere. The Company is involved in all major environment-monitoring satellite programmes in Europe and plays a key role in all 12 of the Copernicus missions, the EU's Earth Observation Programme. For instance, the Sentinel-5 Precursor satellite is fitted with an array of measuring equipment used for air quality, ozone and ultra-violet radiation, and climate monitoring and forecasting. Sentinel-5P takes up to 40 million observations per day and provides a much finer view of emissions than previous satellites or detectors on the ground.

In 2022, the Company has progressed on the development and testing of new technologies that will be featured on biomass, the first ever satellite that will report how much CO_2 is captured by the world's forests. The spacecraft will deliver accurate maps of tropical, temperate and boreal forest biomass and changes in the biomass stock that are not obtainable by ground measurement techniques. In arid areas of the planet, it will see through to the underlying bedrock, enabling mapping of the rock structure and search for subterranean reservoirs of water.

Upcoming missions also include EarthCARE, monitoring the impact of clouds and tiny atmospheric particles (aerosols) on atmospheric radiation; Merlin, studying GHG and global warming; and Microcarb, measuring CO_2 levels.

The Company's satellite-based services help support a more sustainable agriculture. They provide insights enabling reduction in the use of nitrates, and play a significant role in helping agro-industrial companies like Ferrero or Nestlé monitor adherence to their non-deforestation commitments. The Company's Pléiades Neo constellation delivers precision insights to help farmers cultivate their fields more sustainably in the context of a changing climate. Pléiades Neo's Red Edge band makes it possible to accurately predict and pinpoint subtle stress situations in crops long before the problem can be detected with conventional vegetation indices or even the human eye. This information will allow farmers to assess the root cause of the problem and take remedial action before the ailment spreads or crops are lost, enabling more effective climate adaptation.

Investing in the Future

The Company is investing in and accelerating its efforts on five complementary strategic pathways to reduce its environmental footprint, in support of the overall sector ambition, as highlighted above. Overall, a major portion of the Company capital expenditures (CapEx), R&T, and R&D expenses is linked to its commercial aircraft activities and the realisation of these five decarbonisation pathways. In 2022, the total R&D spend of the Company amounted to €3.1 billion (2021: €2.7 billion).

Progress and Performance

In 2022, the Company delivered 661 commercial aircraft. Of note, the emissions of five A330-200 aircraft destined to A330 MRTT production are excluded from the commercial aircraft perimeter and included in the military aircraft perimeter as part of the "other products" category. Based on an average life-time in service of around 22 years (average life-times specific to each aircraft type were used in the calculation), and SAF uptake assumptions as per IEA-SDS scenario 2020, the total CO_2 emissions for these products over their anticipated life-time is estimated at around 425MtCO$_2$e, which translates to an average efficiency of 64.4gCO$_2$e per passenger-kilometre. In 2021, the Company delivered 611 aircraft with resulting estimated life-time emissions of around 400MtCO$_2$e and average efficiency of 66.3gCO$_2$e per passenger-kilometre.

.... Linear extrapolation to target ——— Actual deliveries' average lifetime efficiency
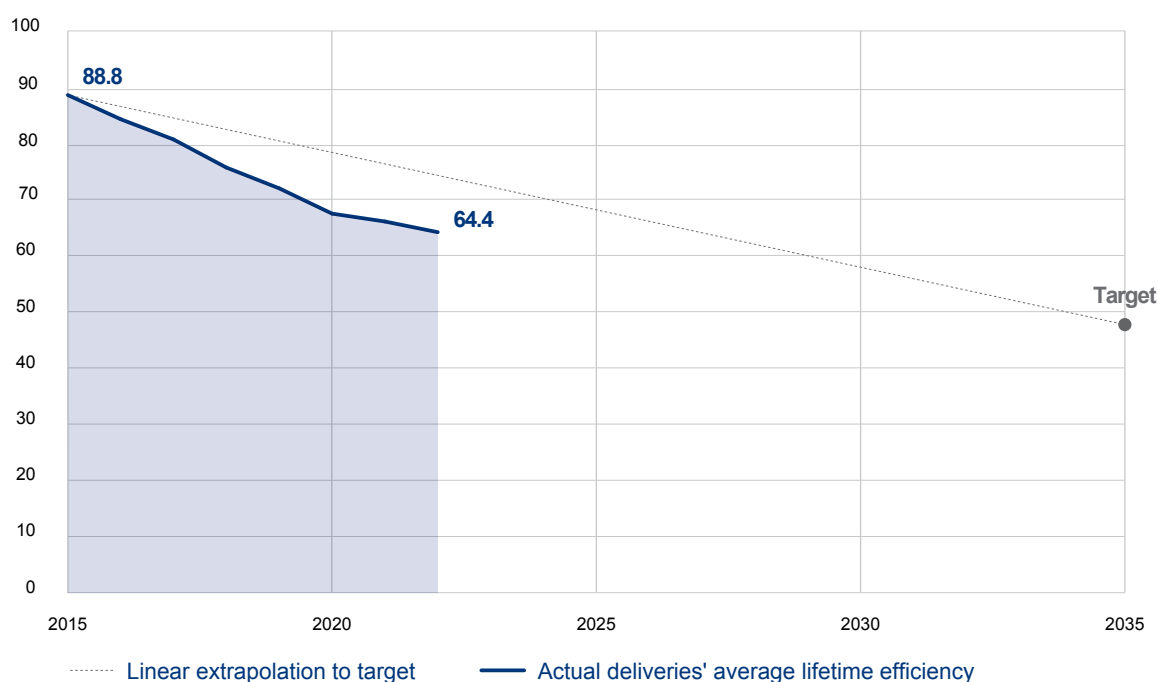
Intensity metric bridge (gCO$_2$e/RPK - 2022 datapoint)
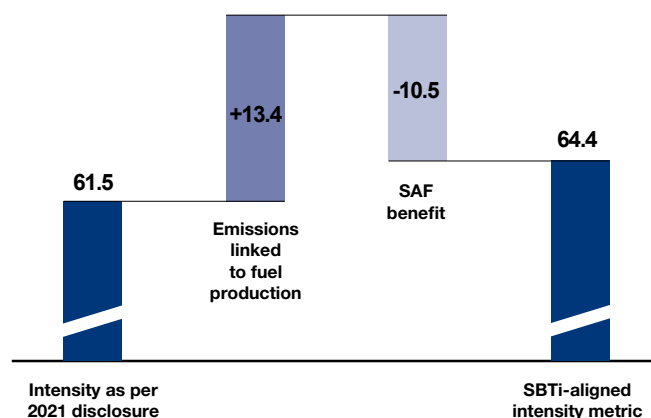
In 2022, in order to align with SBTi-validated target methodology, the Company established a new efficiency metric that will be used for performance measurement. Namely, the difference in the two efficiency metrics can be explained by differences in the following two key assumptions: the integration of emissions related to the upstream fuel production and the consideration of the likely usage of SAF over the product lifetime, as per the IEA-SDS assumptions, as illustrated on the chart for the year 2022. The Company estimates that products delivered in 2022 will see their life-time emissions reduced by around 14% thanks to the gradual introduction of SAF during their operational life. For all reported Scope 3 figures and performance metrics, see "– 1.2.17 ESG Data Board".

Efficiency metric (SBTi-validated target) – Since 2015, aircraft efficiency measured through this metric has improved by 27%, largely supported by significant investments into new aircraft technology and designs, as well as by projected SAF uptake impact to a lower extent. Given the variable time horizons of each of the five decarbonisation pathways presented above, it is expected that the increase of SAF used by airlines in the coming decades will have a decisive impact for achieving this -46% target by 2035. The Company intends to develop means to monitor the actual availability of SAF and the resulting impact on aircraft emissions.

3. Supply Chain Engagement

	Target	2022 Performance
CDP Engagement Suppliers responding to CDP questionnaire	**Maintain at least 75%** of sourcing volume (based on year-1 turnover)	**78%** +3p.p. *vs.* target

While the greatest contribution from the Company's supply chain to decarbonisation will be the capacity of its suppliers to accompany the development and delivery of technical solutions, getting its whole supply chain operations engaged into the transition towards a low carbon economy also remains a priority.

Scope 3 Purchased Goods and Services

In 2021, the Company published a first evaluation of the GHG emissions arising from the goods and services it purchases (Scope 3 – Purchased goods and service) based on its 2020 spend that amounted to 11.3 $MtCO_2e$. In the course of 2022, the calculation methodology has been refined which resulted in a reduction of 12.5% of reported emissions to 9.9$MtCO_2e$. Following similar assumptions, emissions based on 2021 spent were estimated at about 8.4$MtCO_2e$. 2022 estimates will be computed in early 2023 as spent data consolidation is completed.

These evaluations were performed using a dedicated tool developed by the International Aerospace Environmental Group (IAEG) and are expected to be further refined in the coming years as *mass-based* information can be used. See methodology details in "– 1.2.17 ESG Data Board – Environmental performance". While this method includes a certain degree of uncertainty – considered high by the IAEG on a certain number of emissions factors used – it provides a relevant view of the sources of GHG emissions in the Company's supply chain and enables comparison of the Company's various scopes throughout its supply chain.

Notably, this evaluation helped prioritise the engagement with the highest contributing suppliers, through the CDP (see hereafter) or the Airbus Supplier Code of Conduct (see "– 1.2.15 Responsible Supply Chain").

CDP (formerly Carbon Disclosure Project)

In addition, the Company considers a CDP score as a relevant indicator for assessing the maturity of its suppliers to address climate change, and requests its main suppliers to respond to the CDP Supply Chain programme on an annual basis. In 2022, it continued engaging with suppliers representing 82% of the Company's total sourcing volume, following which suppliers representing 78% of the Company's sourcing volume have completed the CDP questionnaire. In 2022, suppliers representing 66% of the sourcing volume received an A or B score.

Sending feedback letters to all suppliers after the 2021 campaign has allowed the Company to raise the awareness of suppliers and propose areas of improvement. From the 2022 campaign results, the Company is going to request multi-year action plans from suppliers that got a C or D score in order to foster improvement in the management of their carbon footprint. These action plans will be followed up by the procurement organisation.

4. Employee engagement

Contribution of Company Culture and Employee Engagement to Climate Objectives

Success can only be collective and the engagement of each and every employee is necessary. Environmental targets and objectives, including the ones related to climate, are internally promoted under the label *high5+*. Periodic communication campaigns are led using different communication channels, such as posters and the intranet. In addition, climate-related objectives are part of the Company Top Company Objectives ("**TCO**"). In the process of being cascaded to functions and teams, TCO's trigger discussions where teams reflect on how and to what extent they can contribute and set meaningful objectives. Furthermore, a dedicated section in the Company's intranet provides information about the Company's commitment towards climate, and related action plans are available for employees to expand their awareness. On the training platform, e-learnings in relation to climate, such as "climate crisis", "climate science", or "climate change economics", are freely available to employees while one environment-related e-learning has been included since 2022 in the Company mandatory yearly training plan, applicable to all employees. From October 2021 to September 2022, some 73,457 employees were trained in environmental awareness.

Since 2021, the Company has established a global sustainability ambassadors network now comprising 448 ambassadors from across 18 functions and 18 countries. Ambassadors help to foster sustainability culture and awareness, engage their local teams in various initiatives, and support the adoption and integration of sustainability objectives into the business, including climate and communities. In addition, in 2022, through the Company's "+impact" digital platform (launched across the Company in November), employees had the chance to participate in several climate change-related challenges inspired by international days such as World Water Day and UN Earth Day, recording over 1,700 individual actions (see "– 1.2.16 Community Impact").

Incentivised Remuneration

In order to better embed this ambition into the Company's performance management, CO_2 performance targets have been included in variable remuneration schemes since 2021 (See "– 1.2.1 The Company's Approach to Sustainability – Governance"). Such short-term incentivisation enables to accelerate the transformation of the Company and cultural shift. The Executive Committee agreed in 2021 to include a reduction target for 2022 (compared to 2021) of -5% for CO_2 Scopes 1 & 2 (TCO scope, see above), part of the Top Company Objectives. The 2022 target was overachieved with an actual performance of -8.5%. This target was set in absolute value at 687kt CO_2e for 2023 (or -0.9% *vs.* 2022). In addition, when relevant, the transposition of TCOs into individual or team objectives may impact the variable remuneration of concerned employees, such as engineers working on decarbonisation-related projects, or employees working on the Company's industrial decarbonisation roadmap.

Competence Management and Employability

The Company's transition plan largely relies on technology and innovation. Anticipating, developing and securing required competencies will be decisive, both for the Company to be able to deliver on its commitment and for employees' skills to be adapted to a changing world. Due to the significant impact of lower-carbon aviation and eco-design (product) on its business, the Company estimates that at least 50% of engineering profiles will have to be upskilled by 2030. "Clean and Sustainable Aerospace" is identified as one critical skill group in the Company's competence strategy. Specifically, identified skills requiring priority action are: hybrid propulsion, hydrogen, electrical high voltage, cryogenics – directly related to decarbonisation innovation – as well as supply chain environmental impact analysis or eco-design. Dedicated learning paths are being developed and deployed under the leadership of academies in the Company functions. In addition, when needed, targeted external recruitments will enable the Company to align its workforce skills with its business challenge.

5. Engaging the Ecosystem

Cooperating with the Scientific Community and Universities

Climate change is a critical challenge for humanity, and the Company believes innovation and technology can bring some pieces of the solution. Achieving this common goal will require all forces from the scientific community to be joined. Hence the Company participates in a number of research programmes worldwide; it is committed to sharing acquired knowledge that could help accelerate the progress of science. For instance, the Company is collaborating with the DLR in Germany, Manchester Metropolitan University in the UK, with the ONERA or the Montpellier Business School in France, the Denmark Technical University in Denmark, the Massachusetts Institute of Technology (MIT) in the USA, the Tsinghua University in China or the European Joint Research Centre. The Company also created the CEDAR "Chair for Eco-Design of Aircraft" together with ISAE-SUPAERO (French aerospace engineering school) in 2013. This five-year chair aimed to define disruptive concepts in air transport by introducing, from the start of the design, innovative technologies. In 2019, the partnership was renewed and adopted the main learnings of prior years all while integrating a more comprehensive environmental engineering approach. The CEDAR Chair is composed of

international scholarships, interdisciplinary programme of student projects derived from concrete industrial cases in the field of "Future Aircraft Design", and environmental engineering certificate with focus on the issues of sustainable development, offering an approach to design aircraft over the entire product life cycle, addresses eco-mobility and the economics of air transport. It also provides a research component that focuses on technological developments that will improve the implementation of air transport solutions, making it possible to reduce the global ecological footprint.

Engaging with Policy Makers

Leveraging on the Company's unique understanding of aerospace industry specificities, the Company is engaged in a constant dialogue with policy makers, directly or through trade associations. Such engagements are performed in compliance with the Ethical business conduct principles described in section "– 1.2.14 Business Integrity", the Company's Code of Conduct and the Company's Responsible Lobbying Charter.

In 2022, as a member of the industry association ICCAIA through the ASD, the Company actively participated in the International Civil Aviation Organization's (ICAO) work to define guidance, standards and recommended practices aimed at minimising emissions from aircraft and engines, as well as defining policies with regards to local air quality, climate change, and noise. Specifically, in 2022 the Company has been an active member supporting the adoption of a climate "Long Term Ambitious Goal" to the ICAO 41st assembly in October. At European level, the Company has engaged with the European Commission on climate change policies discussions such as the "ReFuel Aviation" initiative as part of the "Fit for 55" regulatory package. At national level, the Company has engaged with France, Spain, UK and Germany in order to exchange on federal policies on climate change. In particular in France, the Company has cooperated with the CORAC (*Conseil pour la Recherche Aeronautique Civile*) on research for technology and fuels. As well, in 2022 the Company has directly discussed with the European Commission supporting the development of a carbon removal framework with high environmental integrity in Europe. The Company's positions on climate-related topics are consistent with the principles and axis of the transformation described in its transition plan, where it considers that emerging regulatory frameworks could be a decisive enabler.

Other Initiatives

The Company is also engaged in a number of initiatives addressing its "less material" carbon footprints where relevant. When impactful and connected to its know-how, the Company engages in various projects with local communities or partners, and develops projects beyond its immediate core business that could generate meaningful CO_2 savings.

Scope 3 commuting – In 2022, in partnership with Toulouse Métropole, Tisséo (the local transport authority) and Sopra-Steria, a smartphone application called Ecomode was developed to incentivise the shift to collective commuting (*e.g.* public transport and car sharing) or low-carbon individual mobility modes (*e.g.* bicycles). This has been deployed amongst employees in Toulouse and is of potential benefit to the citizens of all 37 municipalities of the Toulouse Métropole. Such an initiative benefits both the Company and the whole local community. At site level, cycling to work is encouraged by improved infrastructures, cycling paths made safer in

collaboration with local authorities, and periodic "cycle to work" events organised. Car parks are being equipped with charging devices to encourage the use of electric cars, and Company car policy has evolved in order to incentivise the selection of low-carbon vehicles by collaborators.

Airseas – Through its Airseas joint-venture, the Company is co-developing kite solutions for sea vessels as complementary carbon-free propulsion, with a potential to ultimately equip a significant part of the global maritime fleet and generate up to 20% emission savings.

Climate adaptation, supporting local communities – Through its Community Impact Policy – including corporate activities and its non-profit arm the Airbus Foundation – the Company is committed to support vulnerable communities through disaster response at a time when climate-related catastrophes are getting more intense and frequent. The Company works in collaboration with local knowledgeable associations, as well as with partners that have a global reach. Support can take the form of fund-raising, the coordination of humanitarian flights using Company products or logistic aircraft, and providing satellite imagery for partners to properly assess a disaster's scope and adapt their response plans. For instance, in 2022 the Airbus Foundation organised humanitarian missions, including providing free-of-cost chartering of air transport, in response to Cyclone Batsirai in Madagascar, Cyclone Rai in the Philippines and also following the flooding in Pakistan. A mission was also organised to deliver medical supplies to populations in Somalia impacted by severe famine. Over 43 satellite image requests were made on the dedicated portal platform, with partners conducting monitoring including flooding and weather impacts. For more detailed information see "– 1.2.16 Community Impact".

1.2.3 Pollution

I. Introduction

Linked to the industrial nature of its operations, the Company's activities may cause adverse impacts on the natural environment. The Company strives to reduce this impact in compliance with applicable standards, laws and regulations. As covered in this section, pollution includes air pollution (except GHG, see "– 1.2.2 Climate Change"), soil pollution, water pollution (surface and groundwater) and noise pollution caused by the Company's activities and value chain. Pollution linked to the emission of volatile organic compounds (VOCs) is a primary focus of the Company, as it arises from aircraft painting and cleaning activities. Light pollution has been deemed to be non-material to the Company's value chain. Pollution may impact the Company primarily through the potential consequences of business disruption arising from constraints on activities in the Company's value chain in case of local pollution peaks, for instance. Eventually, unmanaged pollution risks could disrupt the Company's ability to operate, *e.g.* deliver its products to customers or imply depolluting costs.

Pollution is regulated around the world. Overall, the Company's compliance with applicable standards, laws and regulations is part of the operating licences granted by local authorities.

In this regard, the Company is reportedly subject to multiple regulatory provisions, including those of the EU Industrial Emissions Directive (IED). The IED notably applies to the management of the Company's industrial activities in France, Germany and Spain. This Directive requests operators of certain installations to establish the state of soil and surface and groundwater contamination at the start of operations, apply for a permit that includes conditions to prevent soil pollution through application of the best available techniques, and take necessary action upon definitive cessation to return the site to its initial status. Beyond this directive, the law on soil management is covered under several national texts which may differ from one country to another, as well as in the permits issued for the Company's industrial activities. Specific regulations cover the topic of chemical substances, with the main regulations covering the Company's activities and products being Registration, Evaluation, Authorisation and restriction of chemicals (REACH); Restriction of Hazardous Substances (RoHS); Persistent Organic Pollutants (POP); and Biocidal Products.

Pollution	GRI	SASB	SDGs	Others
	305 – Emissions		9-12-13-17	
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee / Environment Executive Steering Committee			
Related corporate policies	Environmental Policy, Code of Conduct			
Management system Relevant certifications	EMS – Environmental Management System ISO 14001 – 88% of workforce covered			

KPIs Air emissions:	2030 Target	2015 Baseline	2021	**2022**	2022 vs. 2021	2022 vs. Baseline
VOC (tons)	0% increase	1481	1,042	1,120	+7.5%	-24%

Other key metrics				2021	**2022**	2022 vs. 2021	
NO$_x$ (tons)				226	207	-8.5%	
SO$_x$ (tons)				14	16	+14%	
KPI assumptions	2022 VOC emissions data is estimated. 2022 actuals will be consolidated in April 2023.						
Additional resources	Environmental Policy Statement⭨, Sustainability on Airbus.com⭨						

II. Governance

The Airbus Environmental Policy and overall governance, as described in "– 1.2.2 Climate Change" applies to the pollution topic.

III. Risk Management

Environmental risk and opportunities are managed following the Company's ERM system, see "– 1.2.2 Climate Change". Substance-related risks are included in the Company's top risks, as reported in "– Risk Factors".

In addition, the Company's ISO 14001 certified EMS notably applies the standard recommendations for pollution control audits, training, risk assessment and identification, implementation of risk prevention procedures (emergency plans, simulation exercises). For example, sites shall conduct an analysis of environmental aspects and impacts at least every three years, as well as each time a material change in operations occurs, also in connection with the Company's ERM process. While the EMS sets requirements, actual deployment, concrete means and measures are managed at site level and adapted to the nature of a site's industrial activities and to applicable regulations. For instance, in Toulouse and linked to flight test activities, concerned employees systematically follow dedicated training sessions, including on instructions for fuel handling or on procedures to follow in case of an incident. Also, each year, more than five spill-related emergency situations (*e.g.* a kerozen leak or a fire-fighting water spill) are conducted to test defined emergency plans. At least one emergency situation is performed in coordination with local authorities.

IV. Implementation/Activities

Air Emissions

Air emissions – primarily referring to VOC emissions related to surface treatment – are mostly impacted by the number of deliveries. Substance substitution may also lead to the use of new chemicals with more VOC emissions which need to be monitored. Overall, in 2022, emitted VOCs increased 7.5% year-on-year, reflecting the increase in aircraft production rate compared to 2021.

Chemical Substances

Many chemicals used in the global aerospace industry to achieve high levels of product quality and meet stringent technical performance, airworthiness and reliability requirements are subject to strict regulations. These regulations impact key processes and products, such as surface treatments, paints and fire protection.

The Company remains committed to replacing such substances in products and processes. To help achieve this, it has put in place a portfolio of activities and projects, working with suppliers to identify, develop, qualify and deploy new technologies and solutions that avoid the use of substances classified as posing a risk to human health or the environment, while still satisfying airworthiness, certification and performance requirements.

The Company also engages with suppliers to promote the adoption of a similar approach through regular communication and, more widely, by working together with the aerospace industry to promote worldwide harmonisation of regulations and ways of working, taking into account the sector's safety and lifecycle specificities.

Using information obtained from its own design and suppliers, the Company tracks, records, assesses and declares regulated chemicals and materials. Since 2011, the Company has analysed the impact of over 1,100 substances, and qualified and deployed substitutes for over 100 substances in 300 products.

The Company invests substantial time and resources in research and development for technologies that use alternatives to regulated substances. When it can be demonstrated that these technologies meet the strict safety and reliability criteria required for aviation, the Company seeks to implement them in its aircraft design and manufacturing. For example, the Company is, in cooperation with its suppliers, developing, qualifying and progressively deploying on all its new aircraft, chromate-free corrosion protection and paint systems for aluminium structures. Another example is the halon replacement project that researches alternatives to halon, a highly regulated ozone depleting substances family, used in the fire extinguishing systems in engines and cargo areas. Several fire extinguishing technical solutions are now being tested on aircraft in flight conditions, with an objective to roll them out into production from 2027.

Noise

Noise around the Company's sites can also be an important topic for neighbouring communities. The Company is actively engaged with local authorities and the affected populations to minimise its impact, by adapting operating times and actively seeking to reduce the noise at the source. In Toulouse, the Company has launched the Median initiative, regrouping actors in charge of flight activities around the airport to find the most effective solution to reduce noise levels.

1.2.4   Materials and Circularity

I.   Introduction

The Company recognises the challenges associated with depleting natural sources. This section covers its approach towards optimising the use of materials end-to-end – including product life cycle, eco-design, circularity, and end-of-life considerations – with a focus on waste when it comes to its own industrial operations. The Company identified three materials for which this approach is especially meaningful as they are essential to aircraft manufacturing: aluminium, titanium, and carbon fibre-reinforced plastics ("**CFRP**").

While aerospace represents a small fraction of the global volumes for most materials – *e.g.* the Company's aluminium consumption is estimated to be about 0.1% of the global market – it can figure among the main users for some highly specialised materials such as titanium or CFRP. The use of these materials, and the impacts associated with their production or end-of-life, are justified by their contribution to the efficiency of the end product, as they enable lighter structures and more efficient design. As around 97% of a typical aircraft's life cycle impact comes from its operational use phase, using lighter materials (which are sometimes more impactful in their production processes) is particularly effective in regards to achieving significant reductions in energy consumption and emissions overall. Product weight optimisation is largely linked to product performance in terms of range and fuel consumption, and therefore has a benefit for customers' expectations and the Company's order book. Optimising the use of such high-value materials is directly linked to the Company's competitiveness, while securing their supply, as they become scarcer, is necessary to ensure business continuity.

Nevertheless, these materials can pose unique challenges in terms of supply, application and recycling. Addressing this topic requires an engagement and coordination with the end-to-end value chain, from the extraction stages to the eventual disposal or recycling. Of note, the human rights aspects that may be linked to the sourcing of materials, including conflict minerals, as well as the potential environmental impact linked to their extraction and processing are covered in sections "– 1.2.10 Human Rights" and "– 1.2.15 Responsible Supply Chain". A number of related regulations apply to the Company globally, regionally and locally, such as the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, or the EU Waste Framework Directive.

Finally, all considerations for optimising material use shall under no circumstance be detrimental to product safety and shall meet all technical requirements from stringent certification standards.

MATERIALS AND CIRCULARITY	GRI	SASB	SDGs	Others
	301 – Materials	Hazardous Waste Management	9-12-13-17	
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee / Environment Executive Steering Committee			
Related corporate policies	Environmental Policy, Code of Conduct			
Management system Relevant certifications	EMS – Environmental Management System ISO 14001 – 88% of workforce covered			

KPIs	2030 Target	2015 Baseline	2021	2022	2022 *vs.* 2021	2022 *vs.* Baseline
Waste produced excluding exceptional waste *(tons)*	-20%	107,986	71,152	73,751	+3.7%	-31.7%
	with no landfill or incineration without energy recovery					

Other key metrics (More metrics and assumptions, see "– 1.2.17 ESG data board")	2021	2022	2022 *vs.* 2021
% Material recovery rate	55%	60%	+5p.p.
% Energy recovery rate	20%	16%	-4p.p.
Additional resources	Environmental Policy Statement ↘, Sustainability on Airbus.com ↘, Tarmac Aerosave ↘		

II. Governance

The Airbus Environmental Policy and overall governance, as described in "– 1.2.2 Climate Change" apply to this topic. At the operational level, a multi-functional team leads this activity. Additionally, this was complemented at the end of 2021 for the Company's commercial aircraft activities by a specific cross programme forum that reviews, prioritises, and budgets waste or inventory-related initiatives.

III. Risk Management

Environmental risk and opportunities are managed through the Company's ERM system. See "– 1.2.2 Climate Change" III.

IV. Implementation/Activities

The Company's aircraft products make efficient use of these materials by being designed to operate for several decades with high utilisation rates, being highly serviceable and repairable, and ultimately allowing for around 90% of their constituents by mass to be recovered, including recycling. The Company promotes the development of a circular economy model, and it is proactive in seeking ways to recover, reuse and recycle materials beyond their initial life. Overall, in order to minimise the impact of its activities, the Company's strategy relies on the approach: avoid; reduce, reuse-recycle-repair, supported by a number of enablers such as measuring, Life Cycle Analysis ("**LCA**") and eco-design, or digitalisation.

Metallic waste accounts for more than 30% of the Company's site-generated waste. Considering the risk of resource depletion *versus* growing demand, the Company has kicked off in 2022 a dedicated transformation project related to the circularity of critical raw materials, especially non-ferrous metals, with a focus on the most material perimeter, its commercial aircraft activity.

Avoid – Material Use Optimisation

Weight reduction through material use optimisation has always been a priority in aerospace, as this is directly linked to aircraft performance. Lately, the development of new technologies such as additive layer manufacturing (ALM or "3D printing"), including for metallic components, enabled the redesign of parts, resulting in significant improvements by limiting material consumption to what structure and resistance require. For example, 3D printing technologies such as direct energy deposition (DED) can reduce the titanium raw material consumption by up to 70%. More optimised design and manufacturing processes for metallic and composite components can improve the buy-to-fly ratios, as well as reduce weight, material consumption, energy consumption and production costs. For instance, forming technology has led to an aluminium material reduction of 80% for some parts compared to machining from a plate.

Reduce

Industrial Waste

The Company also focuses on the waste generated by its operations throughout the manufacturing process and has set an objective of reducing overall waste amounts by 20% by 2030 (from a 2015 baseline), with 0% landfilling and 0% incineration without energy recovery.

A dedicated multi-functional team with skills from across the organisation such as engineering, information management, procurement, industrial operations and facility management is actively working on a waste roadmap. Over the past years, the

Company has focused on metering and on data robustness and accuracy for measuring waste, with a focus made on standardising the practices towards waste collectors and in line with regulatory requirements for greater traceability. The objective is to enhance data monitoring, reporting, and forecasting capabilities. This includes a harmonisation of definitions, processes and assumptions. Priority has been given to commercial aircraft activities due to the industrial ramp-up.

In 2022, non-exceptional waste increased by 3.7%, largely explained by the commercial aircraft production ramp up context and people returning to the workplace after the COVID-19 period, impacting general waste. The proportion landfilled or incinerated without energy recovery amounted to an estimate of 23%.

Hazardous Waste

In the Company's European operations, the main sources of hazardous waste are contaminated packaging and chemical waste, especially waste from surface treatment activities, oil, fuel and various chemicals. While chemical waste reduction remains a priority, this is a topic also driven by chemical regulations, the evolution of which may impact the roadmap's ambition for reducing waste as well as its timing (see Chemical Substances section in "– 1.2.3 Pollution").

Increase the Lifespan of Components

The Company's components are designed to last over the average aircraft service lifetime, which can exceed 20 years. Some components, called life-limited parts ("**LLPs**"), have a shorter lifetime, but still maximised considering physical resistance, airworthiness and safety requirements.

Repairability – Reuse – Second Life

With regards to LLPs, easy replacement and availability of parts over the whole programme lifetime are a priority. The Company's products are designed to be repaired when damaged by a number of maintenance, repair and operations (MROs) companies worldwide and spare parts providers. The Company's after-sale activities include the sale of spare parts and the provision of maintenance, repair and overhaul services. LLPs can be overhauled to serve other operators, routes or missions. In particular, passenger-to-freighter conversions are frequently considered to extend the lifetime of aircraft.

Recycling

Waste generated by the Company's industrial processes often includes high-value materials, so optimising their circularity responds to both environmental and economic objectives. The Company sends over half of its waste to be recycled. It is currently working on specific initiatives to further increase this rate, such as specific loop creation for titanium in order to reintegrate chips or end-of-life parts into raw material manufacturing processes.

In addition, the Company sources material volumes of recycled materials that are used for the manufacturing of aircraft. As an order of magnitude, in 2022, 20% to 50% of aluminium products delivered to the Company (highest volume of material in an aircraft) came from recycled raw materials.

Finally, more than 90% of an aircraft's weight can be recovered at end-of-life (including material and energy recovery) through a selective dismantling process. For example, TARMAC Aerosave joint venture, provides such reverse manufacturing services, including dismantling, sorting, packaging for reuse or sending to relevant waste collectors while ensuring parts traceability,

in various locations in France and Spain. A memorandum of understanding between the Company and the city of Chengdu was signed in 2022 for the launch of an aircraft life cycle management service in China. Overall, TARMAC has recycled over 300 aircraft since 2007.

Life Cycle Thinking and Conscious Design

The Company invests in LCAs for environmental impact accounting associated with a specific product, in accordance with the requirements specified in the ISO 14040 standard. Detailed LCA studies have been finalised for the A220-100, A220-300, A320neo and A350-900, covering over 95% of the Company's deliveries of commercial aircraft products in 2022. The Company is currently working together with the European Union Aviation Safety Agency (EASA) in the frame of the Product Environmental Footprint initiative on the framework, to enable the publication of verified and standardised data in the future.

In addition, the Company is deploying frameworks enabling environmentally-conscious design choices to reduce the footprint of projects and optimise aspects such as product end-of-life management and critical raw materials usage. For instance, in 2022 environmental assessments have complemented research & technology decision-making processes related to commercial aircraft activities. Besides, as an example and part of its Eco-design initiative, the Defence and Space Division used LCA for the development of the Sentinel satellites that are built for the ESA. The Company's Defence and Space Division is engaged in a strategic transformation process which will focus on increasing the circularity of its products, and expanding its product environmental impact assessment capabilities to include topics such as hybrid propulsion. These assessments would be performed in addition to the regular LCA assessments for satellites.

Digitalisation, Traceability and Criticality Mapping

The Company leverages digitalisation as an enabler to optimise and reduce its environmental footprint. For example, some applications seek to improve design and material utilisation, or to optimise usage of critical resources. At the same time, traceability of parts is essential to facilitate recycling. The Company reports on marking parts to facilitate the ability to reuse, recycle, and repair, while complying with legal provisions applicable to the sector. In addition, the Company has launched a dedicated traceability project to increase data availability and transparency from the aircraft "Bill of Materials" and leveraging on digital capabilities in collaboration with its supply chain.

As recommended by the EU Critical Raw Material ("CRM") framework, the Company has created and is maintaining a dedicated Company framework – CRM. It is an internal methodology to assess that criticality of raw materials has been developed on the axis of supply risk, environmental and ethical impacts. Based on this, a regularly updated watchlist of the most critical raw materials for the Company has been defined to influence design choices. The mapping of CRM in Company's products is currently ongoing, based on available bill of materials, in the frame of an internal project. Additionally, the methodology is currently being reviewed and improved by an external party, prior to being delivered in 2023.

Competence Management

Circularity is a part of the Company's sustainability and environment competency strategy. Accordingly, related training modules have been identified and are in the process of being integrated in the Company's training catalogue.

1.2.5 Water

I. Introduction

The Company's water usage is mostly linked to non-industrial uses, including sanitary, heating, ventilation and air conditioning, canteens and fire extinguishing. Around 15% of the water purchased/withdrawn is used for industrial uses such as surface treatment, machining, non-destructive testing and painting. This section covers both withdrawal and discharge.

Water consideration is included in the Company's LCA approach. Procuring the required water does not currently represent a material cost for the Company as overall withdrawn volumes are relatively limited, especially for its industrial operations. However, securing water availability to operate the industrial processes requiring water is critical for the Company and its supply chain to ensure business continuity.

The Company analyses current and projected local water stress levels to understand where the Company's activities have the greatest impact on water resources and prioritise actions in these areas (*e.g.* south of Spain, northern China). This analysis is based on the World Resources Institute's Aqueduct Water Risk Atlas tool. Of note, the Company has also identified water as a relevant topic in its supply-chain roadmap and is currently assessing water-related impacts and risks in the supply chain. Due diligence aspects with regards to the potential environmental impact on water resources in the Company supply chain are described in section "– 1.2.15 Responsible Supply Chain".

Water discharge quality is managed by each site directly to ensure compliance with applicable local regulatory requirements.

WATER	GRI		SASB	SDGs	Others
	303 – Water and Effluents			9-12-13-17	
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee / Environment Executive Steering Committee				
Related corporate policies	Environmental Policy, Code of Conduct				
Management system Relevant certifications	EMS – Environmental Management System ISO 14001 – 88% of workforce covered				

KPIs	Target 2030	Baseline 2015	2021	2022	2022 vs. 2021	2022 vs. Baseline
Water:						
Water purchased *(m³)*	-50%	3,323,228	2,631,363	2,889,557	+9.8%	-13%
Water withdrawal *(m³)*	0% increase	3,766,153	3,345,261	3,672,217	+9.8%	-2.5%

Other key metrics (More metrics available in "– 1.2.17 ESG Data Board")	2021	2022	2022 vs. 2021
Percentage of water withdrawal from all areas with high water stress[1]	34%	30%	-4p.p.
Metrics assumptions	[1] Areas identified with high or extremely high water stress. Water stress level as defined per the Aqueduct Water Risk Atlas in medium scenario for 2030.		
Additional resources	Environmental Policy Statement ⬎, Sustainability on Airbus.com ⬎		

II. Governance

The Airbus Environmental Policy and overall governance, as described in "– 1.2.2 Climate Change" are applicable to water.

III. Risk Management

Environmental risk and opportunities, including the ones related to water, are managed following the Company's ERM system, as described in the section "– 1.2.2 Climate Change". In addition, water has been identified as relevant to climate change physical risks: work is ongoing to update the above-mentioned risks in line with the TCFD.

IV. Implementation/Activities

In order to better monitor its approach with regards to water management, the Company has set the following 2030 targets (*vs.* 2015 baseline):
– -50% reduction in purchased water;
– 0% increase in water withdrawal.

The Company's water usage is mostly linked to sanitation and general uses (around 85%), while the rest is used in production-related processes. The underlying approach is to reduce the use of potable water for uses where it is not necessary, while ensuring that the overall withdrawal does not increase. While all concerned sites are working towards these targets to ensure advanced water management practices are implemented, a keen focus is put on areas with current or future high water stress levels. For example, local water stress levels are used as a criterion for prioritising the funding of projects (OpEx and CapEx) and for selecting sites for the launch of pilot projects (*e.g.* proof of concept launched in Illescas (Spain) on digitised and automated water consumption real-time monitoring).

The strategy is based on the following eight pillars:

Key pillars	Description and rationale	Examples of projects
Measure/Metre	Measuring as a prerequisite to identify water flows and manage consumption.	Installation of smart water metres with automated and digital data transfer, high frequency and increased granularity (*e.g.* commercial aircraft sites and Airbus Defence and Space Division sites in Europe).
Monitor	Track consumption, identify biggest consumers to focus priorities; detect deviations.	Smart metering on site/building/asset level, connection to digital platforms, creation of KPIs and regular reports, alert systems.
Avoid waste	Identify and fix leakages, reconsider processes.	Leakage detection campaigns at Blagnac (France) and Mirabel (Canada) sites.
Reduce	Increase efficiency; equipment retrofit.	Implementation of latest technical solutions for cooling at Illescas site (Spain), air conditioning, boilers and sanitary equipment retrofit at Puerto Real site (Spain), replacement of water chiller with air-cooled systems in Portsmouth (UK), reduction of irrigation at Miami (US) and Tianjin (China) sites.
Reuse	Create (closed) loops; use the same volume several times.	Reuse for non-drinking purposes (*e.g.* toilets, gardening), industrial process water loops for surface treatment and air conditioning.
Replace	Use rainwater, surface water, groundwater.	River/lake water treatment and reuse at Hamburg and Friedrichshafen sites (Germany), rainwater harvesting at Toulouse site (France), groundwater use at Donauwörth site (Germany).
New Building Design	Ensure high water efficiency standards from the design phase.	Certified building standards, *e.g.* LEED (Silver certification, Mobile site, US).
Communication	Inform and engage employees.	Employee awareness campaigns (*e.g.* World Water Day communication on internal portal).

In 2022, water withdrawal volumes increased by about 10% compared to 2021, mainly as a result of people returning to the workplace after the COVID-19 period. When compared to 2015 baseline, water withdrawal reduced by 2.5% while purchased water dropped by 13%. In 2022, leaks were identified and fixed in Blagnac (France) and Mirabel (Canada), with an estimated impact of less than 2% on total water withdrawal.

1.2.6 Biodiversity

I. Introduction

The Company recognises the considerable pressure planet Earth is facing as a result of loss of biodiversity. The latest 2019 report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services ("**IPBES**") demonstrates that the health of ecosystems is deteriorating more rapidly than ever and the 2021 IPBES-IPCC co-sponsored workshop shows the clear interdependencies between climate action and biodiversity protection. In this context, the Company intends to improve its understanding of the impacts its activities and biodiversity may have on each other alongside the interdependencies of this subject with the Company's ongoing climate actions.

Moreover, the Company aims to contribute to the updated and new goals and objectives for biodiversity. These include the ones for 2030 and 2050 agreed at the 15th Conference of the Parties of the UN Convention on Biological Diversity in December 2022, in Montreal, according to which all signatory countries should update their National Biodiversity Strategies and Action Plans as well as National Biodiversity Finance Strategies. Key goals are also ones set by the European Union in the EU Green Deal and the EU Biodiversity Strategy of 2020 that place the European Union at the forefront of this transformation.

II. Governance

The Airbus Environmental Policy and overall governance, as described in "– 1.2.2 Climate Change" applies to the biodiversity topic.

III. Risk Management

Environmental risk and opportunities are managed following the Company's ERM system, as described in the section "– 1.2.2 Climate Change".

IV. Implementation/Activities

In order to progress its understanding of the impact of its activities on biodiversity, the Company has identified the IPBES report as a relevant framework to follow. In 2022, the Company launched a project to compile an inventory of potential impacts across the five drivers of biodiversity loss: changing use of sea and lands, direct exploitation of organisms, climate change, pollution and invasive non-native species. Meanwhile, the Company presumes that the most material biodiversity loss impact is linked to the impact of its commercial aircraft activities on climate change and, as such, efforts are prioritised alongside the existing climate-related initiatives. See "– 1.2.2 Climate Change". In addition, a number of mitigation actions have been started in relation to the other drivers.

Pollution: see "– 1.2.3 Pollution".

Changing Use of Land

Overall, the ground footprint of the aviation industry, as a global means of transportation, is limited to local sites; mostly airports and related activities. As for the Company, its operations are located at a number of industrial sites. When building a new site or extending an existing one, the Company engages with local partners on conservation and remediation projects to preserve flora and fauna that were impacted by the Company's industrial activities. This is done in line with applicable legal requirements. In France, for instance, during and after construction works, the Company strives to apply the *Avoid, Reduce, Compensate* mitigation hierarchy, as well as establish a budget for compensation measures that goes beyond the duration of the project (for maintenance for example). This requires identifying areas rich in biodiversity (in particular protected species), identifying the potential impacts on biodiversity, and carrying out, if required, the necessary biodiversity inventories and the applicable deadlines in the timeline of each project.

Restoring Biodiversity

The Company's space products, and more especially Earth-observation satellites, play an instrumental role in the understanding of biodiversity evolution. See "– 1.2.2 Climate Change" / Transition plan / Products and services supporting climate monitoring and adaptation.

In addition, the Company through its corporate community work and its Airbus Foundation has supported a number of biodiversity projects that aim to help preserve wildlife and natural ecosystems at a community level, such as contributing to the International Union for Conservation of Nature (IUCN) forest restoration project. See "– 1.2.16 Community Impact".

Build Our Business on the Foundation of Safety and Quality

1.2.7   Aviation and Product Safety

I.   Introduction

The Company believes that everyone in the aerospace 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 that it will be even safer by anticipating and responding to risks, threats and challenges. While the foundations of the air transport system are built on regulatory compliance, the safety culture at the Company goes beyond compliance with certification and continued airworthiness requirements to also focus on safety enhancement activities in products and services. This also extends to the products and services of the Company's Defence and Space Division that offer communication, collaboration and intelligence knowledge solutions to assist government authorities, emergency service providers and healthcare providers. For further information, see "– Information on the Company's Activities – 1.1.4 Defence and Space".

Aviation / Product Safety	GRI		SASB	SDGs	Others
	416 – Customer Health and Safety		Product Safety	12	
Highest governance body(ies) involved	Product Safety Board (PSB), involving several Executive Committee members Board of Directors				
Related corporate policies	Airbus Product Safety Company Policy (A67)				
Management system Relevant certifications	SMS Products Operations	Corporate Safety Management System EASA regulation (Parts 21/145/147/M/ORA), EU 996/2010, EU 376/2014 (for Commercial Aircraft products), ECSS-Q ST-40-C (for Space Products) and Def-Stan 00-56 (for Defence Products) EN9100, EN9001, EN9110, AQAP 2110, AQAP 2210 and AQAP 2310			

KPIs	Target	Horizon	2021	**2022**
% SMS officers nominated	100%	permanent	100%	100%
% SMS officers trained	100%	permanent	100%	100%

Other key metrics		2021	**2022**
Fatal accident rate Industry wide[1]		0.03 (Gen4)	0.05 (Gen4)
Metrics assumptions	[1] 10 year moving average fatal accident rate (per million flights) per aircraft generation		
Additional resources	Code of Conduct ⌦, Product Safety on Airbus.com ⌦, Safety in Operations on Airbus.com ⌦, Safety investigation on Airbus.com ⌦, Health Onboard ⌦, Accident Statistics website ⌦		

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. This ensures proactive safety decision-making is based on multidisciplinary assessments at the highest decision level of the Company. The PSB makes decisions regarding technical aspects, safety governance and strategy. Regular reviews with the Board of Directors are also performed.

The Company's Safety Management System

Consistent with ICAO Annex 19, the Company's Corporate Safety Management System ("**SMS**") is based on the four ICAO pillars: safety policy and objectives, safety risk management, safety assurance, and safety promotion. The Company's 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.

The Company's Safety Strategy

To support the Company vision for safety – "we constantly strive to enhance safety together in our quest to reach zero accident" – the Company's product safety strategy is to:
- implement programmes to continuously enhance the safety culture to ensure each employee has a personal and collective engagement consistent with the Company's safety values;
- provide means so that any employee can report safety concerns;
- ensure product safety is a priority in decision making; and
- share lessons learned and best practices with internal and external stakeholders, and take action as appropriate also based on identified top safety threats or opportunities.

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 (for 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 compliance with regulatory requirements. Additional audits are 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.

Commitment to Just and Fair Culture

This commitment ensures that the appropriate reporting channels are available and known to all employees to report product safety and quality-related matters in an atmosphere of trust and empowerment. It is documented and endorsed with the signature of the CEO, Executive Committee members and top management.

III. Risk Management

Applying proactive risk management principles has contributed to significant improvements to the safety of flight in recent decades. This risk management approach drives the Company's corporate safety process, which has been in place for more than 15 years. It supports the principles of the Company's safety enhancement culture, going beyond compliance with certification and airworthiness duties.

IV. Implementation/Activities

Consistent with its end-to-end approach and as part of its safety strategy, the Company has several collaborative initiatives that contribute to reinforcing resilience capabilities in the air transport system and enhancing the safety level of its products with all key actors.

For example, the Company is working with its supply chain to extend its safety enhancement principles with its suppliers. This includes specific SMS forums and initiatives with its suppliers, which reinforce the collaborative approach for optimising responses to in-service feedback and reports. To ensure the safety and quality of parts used in aircraft and spacecraft manufacturing guarantees that the final product will meet safety and quality standards, the Company cascades related requirements to all its direct suppliers through contractual terms and the Supplier Code of Conduct. These go beyond ISO EN9100 quality standards, with the requirement for suppliers to continuously train their employees on quality assurance and ensure they are appropriately skilled. The Company leads an annual audit campaign to verify all quality requirements are met, including performance and compliance. Priorities are defined based on risk ranking criteria that consider parts criticality, operational maturity and production capacity.

Sharing safety information is a key contributor to increasing the level of safety. There have been 26 flight safety conferences with the Company's customers since the first was held in 1994. Another means of sharing information is through "Safety first", the Company's safety magazine contributing to the enhancement of safety for aircraft operations by increasing knowledge and communication on safety-related topics. It reaches over 1,500 aviation professionals daily *via* the website safetyfirst.airbus.com and the Safety-first app. D10X (short for Air Transport Safety, Destination 10X Together) is another collaborative initiative with airlines. The aim of D10X is to propose and share pragmatic solutions together with operators of Company's aircraft for the key safety issues identified within this network.

In addition to these external safety promotion initiatives, the Company invests in internal safety promotion with the objective of continuously reinforcing the safety culture of all employees. This is supported by different means including communication campaigns, training, safety awareness sessions, and development of a safety promotion centre. SMS officers are nominated and trained in all key business functions to

ensure implementation, and operation of the SMS within the Company, including safety promotion. Since February 2021, all SMS officers have been nominated and trained. The above-mentioned commitment to a just and fair reporting culture is another example of an initiative that promotes the Company's safety culture. These elements are integrated in the Company's SMS action plan.

The Company also continues to innovate to benefit from technological evolutions to further enhance both operations and safety. All these initiatives lead to continuous improvement of the safety record. This is illustrated in statistics (below) showing that the latest fourth-generation jets are the safest. All Airbus' fly-by-wire family aircraft (including A320, A330/A340, A380, A350, A220 fleets) are the latest fourth-generation aircraft.

10 year moving average fatal accident rate (per million flights) per aircraft generation
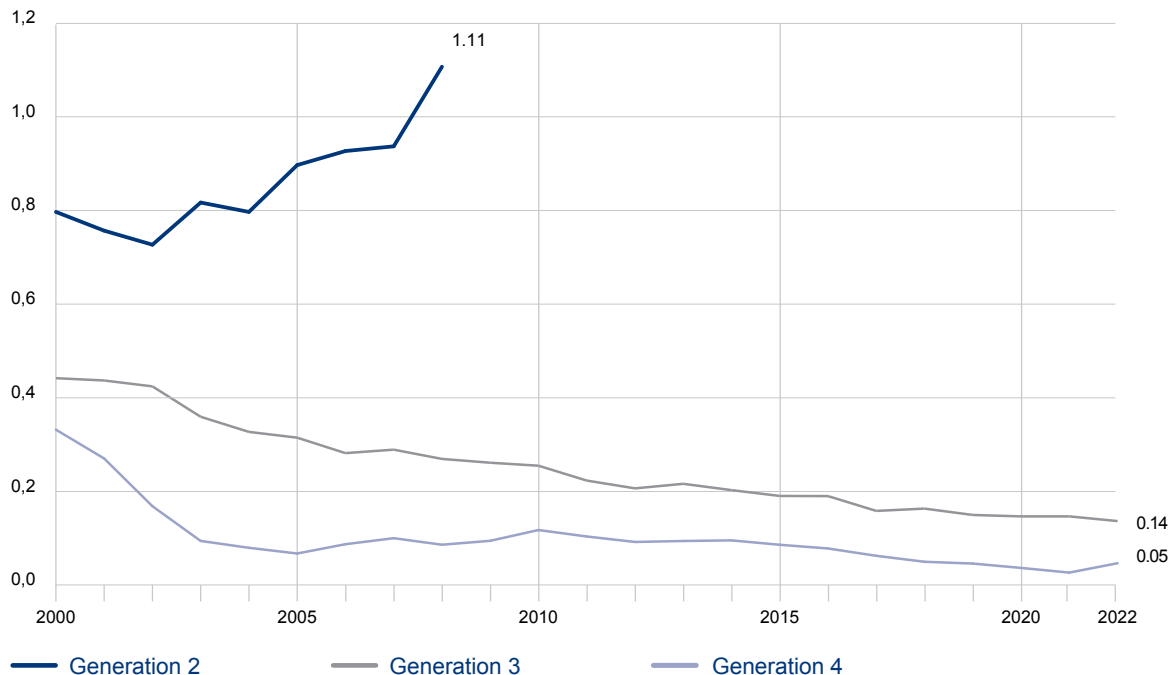

Fig. 10 year moving average fatal accident rate (per million flights) per aircraft generation.

Source of data: official accident reports, ICAO, Cirium, and Company databases. Flight cycle data provided by Cirium.

1.2.8 Cyber Security

I. Introduction

Cyber security risks have the potential to impact all business operations, employees, plus products and services if incorrectly managed – either in confidentiality, availability or integrity. As such, the Company undertakes a continual process of cyber security risk identification and remediation, supplemented with significant cyber security capabilities for the anticipation, prevention, detection and response to cyber threats and events. Cyber security risk management is a core element of modern organisations, thus the Company has developed state-of-the-art cyber capabilities for the defence, detection and response

to emerging cyber threats. The cyber security paradigm adopts a compliance, regulatory and risk-based approach embedded across four asset bodies: IM, industrial, products and services, and people and workplace domains.

Developing cyber security as a function of the business, with the relevant capabilities and stakeholders, ensures an evolutionary approach for continued protection against emerging threats and to support the business in securely enabling its digital transformation.

Cyber Security	GRI	SASB		SDGs	Others
		Data Security		9, 12	
Highest governance body(ies) involved	Corporate Security Council; Digital Security Team (Cyber Security Validation Body)				
Related corporate policies and directives	Airbus Company Security Policy Security Requirements for Company Information & Data Classification and Protection Security Requirements for Information Systems Management Security Requirements for Affiliates Security Requirements for Industrial Automation and Control Systems Requirements for Product Security Requirements on Information Security for Suppliers Specific Requirements on Information Security for IT Service Providers				
Management system	Manage Airbus Company Security – aligned to ISO 27001 standard Monitor, Identify & Report Company Asset vulnerabilities Assess & Treat Company Asset Security Risk				

Key metrics	2021	2022
Number of data breaches reported to data authorities	1	0
Percentage involving confidential information	100%	N/A
Cyber security awareness training e-learning participation (started 1 Jan. 2020, reporting period 1 Oct.-30 Sep.)	67,475	107,808
Corporate and IM Cyber Security headcount	290	437

II. Governance

The Company has undertaken a cyber security transformation since 2019 with the establishment of a federated model of digital security encompassing accountable leaders in respective organisational structures such as IT, engineering and operations. A dedicated team for security governance was established, reporting to the Company Chief Security Officer (CSO), responsible for the definition and audit of cyber security directives and methods aligned to major industry standards such as ISO 27001 or IEC62443. The Company Chief Information Security Officer reports to the CSO with a direct reporting line to the CEO. Such an approach ensures localised accountability and reactivity to cyber risks with centralised governance, reporting, technical standards, and processes. Cyber security governance encompasses both Divisions and global operations plus affiliates.

Corporate Security Council

The Company has established a Corporate Security Council, chaired by the Chief Security Officer, for the coordination of security governance and to ensure consolidated security risk reporting from each of the four asset clusters: IT, industrial, product and services, and people and workplace domains.

Security Governance Directives

Security directives are published and audited to ensure the Company business follows the same standards for data protection and systems security. Key cyber security directives include the ones listed in the table above (Related Corporate Policies and Directives).

III. Risk Management

Confidentiality, integrity and availability are known to define cyber security objectives when thinking about systems risks. Corporate Security is accountable for security risk management and is in charge of defining cyber security risks taxonomy and managing the lifecycle in ERM, including strategy, organisation, roadmap and initiatives at company-wide level.

In terms of cyber security, risk management is the aggregation of continual risk reporting, cyber security validation processes embedded within security by design principles for projects, applications and infrastructures – in addition to the implementation of digital security controls aligned to the Company's enterprise security architecture standards.

Risk mitigation measures follow the principle of people, process, and technology controls to reduce the likelihood and/or impact of cyber incidents. The Company incorporates mandatory cyber security training and awareness for all employees with additional engagements for employees in higher risk categories or where additional regulatory stipulations apply. Security processes are fixed through security governance directives, business management processes (*e.g.* MC.AS.01 Vulnerability Management), and operating models. Technical security controls are implemented and measured in accordance with ISO 27001 and other industry standard information security management standards.

The Company implements a number of key technical security controls in the reduction of cyber incident likelihood including the rollout of endpoint protection and data loss prevention tools, the implementation of multi-factor authentication, and the adoption of enterprise security architecture approaches. To reduce impact from cyber events, it operates in-house security operations centres covering both commercial and national activities; plus a Computer Emergency Response team ("**CERT**") analysing cyber security threat intelligence and rapidly investigating and containing cyber security incidents.

Cyber security risk management is under regular internal and external audit, confirming processes and implementation to both the Company's and industry standards. Technical audits are also conducted regularly on applications, systems and infrastructures in the form of cyber security penetration testing.

Technical red-team (offensive) cyber exercises are conducted minimally once per year for the evaluation of detection and response planning. These are in addition to annual cyber security crisis simulations for evaluation of business continuity and reactivity. See "– Risk Factors – Business-Related Risks – Cyber Security Risks'."

IV. Implementation/Activities

Building upon the enhancements of 2021, a number of key initiative were undertaken in 2022 to improve the cyber security position, reduce associated risks and decrease the likelihood of successful cyber attacks, including:

– maintaining full coverage of core divisional company-issued laptops deployed with Endpoint Detection & Response (EDR) tools;
– further enhancing data encryption mechanisms, especially for cloud based security;
– maintaining compliance with existing and evolving cyber security regulations, and anticipating future national, international, and sector-specific cyber security laws;

– conducting an in-house full red-team cyber exercise for continual process improvement and controls maturity. In addition to a crisis management anticipation exercise around a ransomware scenario;
– certified *Airbus cyber security diploma* launched in France, in order to reinforce and future-proof existing cyber security competency, in addition to building an appropriate pipeline for future skills and needs. This diploma was validated by the French administration in charge of delivering professional certifications;
– such activities have continued to reduce the overall cyber security risk, specifically around the increasing threat from ransomware.

V. Outlook

There are no signs globally that the threats of cyber attack will decrease; therefore, the Company maintains an advanced cyber security posture and anticipates future threats. Specific focus is placed on:

– ensuring continued compliance to international, national, and industry specific cyber security regulations;
– company resilience; ensuring prevention and recovery from cyber skirmishes, and destructive ransomware attacks;
– extended enterprise and supply chain cyber security collaborations.

1.2.9 Health and Safety

I. Introduction

The Company continues to pursue its zero-harm aspiration. The safety of its employees and others is its top priority. The Company aims to improve the health and well-being of its employees and everyone else who works within the Company perimeter. Health and safety primarily addresses risk identification, and its elimination or prevention, to promote safer and healthier conditions in the workplace.

Aligned with its ERM process, the Company has identified the following priority topics to manage: mental health and wellbeing, hazardous substances and materials, working environment, and

on-site contractors health and safety management. Associated mitigation plans are defined jointly by the health and safety and operational organisations.

The Company is applying the principles of the ISO 45001 for its management systems. The Company risk mitigation plans follow the recognised health and safety hierarchy of control, which is hazards elimination, substitution, engineering control, administrative controls and, as a final measure, personal protective equipment.

The Company shall comply with a wide range of local and international health and safety regulations. It measures its performance using company-wide indicators, such as the lost time injuries frequency rate, as summarised in the table below:

Health and safety	GRI	SASB	SDGs	Others
	403 Occupational Health and Safety		8, 12	Vigilance Plan
Highest governance body(ies) involved	Board of Directors / Ethics, Compliance and Sustainability Committee **Occupational Health and Safety Governance Board (new)**			
Related corporate policies	Occupational Health and Safety Policy A41, Airbus Code of Conduct			
Management system Relevant certifications	Formal Health and Safety Management Systems ISO 45001 certified sites cover ~25% of employees			

Key metrics (More in "– 1.2.17 ESG Data Board")	2021 Published	2021 Adjusted	**2022** **New Perimeter**
Lost-Time Injury Frequency Rate[1][2][3]	3.21	2.28	1.60
Lost-Time Injury Frequency Rate – commercial aircraft business[2][3]	4.31	3.26	2.25
Lost Time Injury Severity Rate – FISH perimeter[3]	-	-	0.046
Near-miss – commercial aircraft business[1]	19,305	-	28,925
Total health and safety training hours delivered	128,795		286,815
Number of employees who received health and safety training[4]	28,144		90,490
Number of employees having attended "EH&S Certificate" modules 1 & 2[4]	1,309		2,214
Core entities with ISO 45001 or similar certification	~one third		~one third
% of the Company workforce covered	25%		25%
Remuneration	A proportion of variable pay for executives and "Level IV" managers is tied to the achievement of the Company Lost Time Injury Frequency rate target and Lost Time Injury Frequency rate performance also features in calculation of success share payment made to employees.		
KPI assumptions	1. The "2021 Published" company frequency rate includes Airbus commercial aircraft business, Airbus Helicopters and Airbus Defence & Space before the creation of Airbus Atlantic and Airbus Aerostructures as separate entities. 2. The 2021 Airbus commercial aircraft "Adjusted" figure excludes sites transferred to the newly created Airbus Atlantic and Airbus Aerostructures entities (formerly Stelia and Premium Aerotec and part of Airbus commercial aircraft sites). 3. The FISH KPI perimeter was adjusted in 2022, see section IV. Implementation/activities below for more detail. 4. Reporting period for training-related metrics is from 1 October to 30 September.		
Additional resources	People Safety on Airbus.com ⬂, Code of Conduct – incl. Health and Safety commitment ⬂		

NB: in 2022, the company rolling FR1 (excluding Airbus Atlantic and Airbus Aerostructures) decreased from 2.28 to 1.60 however if this perimeter included Aerostructures and Airbus Atlantic, the FR1 decreased from 3.29 to 2.23.

II. Governance

In 2022 the Company strengthened its governance of health and safety by creating a Company Occupational Health and Safety (OHS) Governance Board. The first meeting in July 2022 was attended by executive representatives of the Company, its Divisions and regions, and was chaired by the Company's Chief Human Resources and Workplace Officer. The mission of the Company OHS Governance Board is to stimulate continuous improvement by reinforcing the compliance and performance oversight required by ISO 45001, and driving the ambition to improve strategic and operational safety, health and wellbeing, while considering the needs of interested parties and the business's sustainability.

A public Airbus Occupational Health and Safety Policy Statement was signed by the Company's CEO in 2021. It enhances and reinforces the company-wide Occupational Health and Safety Policy priorities, principles and key initiatives including:

– the continued identification and management of risks to people and the business that could arise from work activities;

– the application of the principles of the International Standard, ISO 45001, for the Company management system; and
– the development of a culture in which employees take responsibility for their own health and safety and that of others.

Approximately one third of the Company's core entities in home countries are certified to the ISO 45001 Standard for health and safety management systems. The Airbus Defence and Space Division sites have renewed their ISO 45001 accreditation in 2022. Company-wide, this means that about 25% of employees work on sites where the health and safety management system is certified to ISO 45001. Other sites operate to the standards required by the Company Policy and have formal management systems, even though they may not yet be formally certified.

III. Risk management

Occupational health and safety risks are managed using the framework provided in the Company methods for "Health and Safety Risk Management" and "Incident Management". Those risks that are considered to have a high potential impact, including in the Company's affiliates, are reported in the Company's ERM system.

The method for risk assessment and control consists of a sequence of logical steps to identify significant hazards, evaluate the risks, and prevent, eliminate or mitigate them. This is done following the hierarchy of control principles: elimination, substitution, engineering control, administrative controls and, as a final measure, personal protective equipment.

The health and safety priority topics identified within the Company and forming part of the Company Vigilance Plan are:
– hazardous substances and materials;
– working environment;
– on-site contractors health and safety management;
– mental health and wellbeing.

The Company has deployed prevention measures and mitigation plans around these topics.

The mitigation of the risk of exposure to hazardous substances and materials requires the Company to adhere to risk control measures when suitable alternatives are not available and subject to appropriate authorisations. The mitigation plan includes the application of relevant Company methods of substances and materials management, the development of surveillance programmes, and the recording and analysis of all prevention and protective activity. Late 2022 saw the closure of a five-year project called REACH-IT, and similar initiatives in the Divisions, aiming at ensuring the compliance of the Company sites with the stringent environment, health and safety conditions described in the European Union's REACH Chromates Authorisations. The project has given the means to local management for maintaining a high level of protection of employees and the environment where chromates are concerned, covering the whole Authorisation period.

Working environment risks include slip, trip and fall, site roads and infrastructure, and work at height. These are key areas of focus for the Company: in particular, working at height considering the potential outcomes. As part of its risk mitigation activities, the Company focuses on immediate containment actions while defining permanent solutions and putting in place robust monitoring, including at top management level.

On-site health and safety contractor management is another priority topic. Due to its activities, the Company has various contractors working on its sites for which the interaction and coordination of activities may generate risks of worker injury or damage to products or infrastructure. As part of the mitigation activities, a company-wide method for supplier and contractor health and safety management (M1243) has been issued. This method sets a standardised health and safety framework for the selection, approval and management of suppliers and contractors who perform work for the Company on its work sites. This method is under deployment locally, considering already existing procedures and in line with local regulatory requirements.

Mental health and wellbeing are also topics of attention for the Company, especially given the increasingly challenging personal and environmental factors. A management strategy and mitigation plan have been defined, which include a network of "Wellbeing Focal Points" and relevant training. Further related mitigating activities are detailed in section IV. Implementation/activities below.

The Company's affiliates report on their health and safety management status through the ICSA exercise or similar system in the Airbus Helicopters Division. Their annual report on key health and safety management system requirements forms part of the ERM process.

IV. Implementation/Activities

The Company's goal is to enable an environment that's safe and healthy for all. Risk prevention and promotion of safer and healthier conditions in the workplace are also key wellbeing enablers.

Safety

Key risk mitigation activities were pursued in 2022 including the continued promotion of the health and safety culture:
– campaigns to support a safe return to work after a long break such as summer holidays;
– "Safety Awards" at site level to motivate and engage employees;
– safety mobilisation days such as the "Winter Road" campaign, the "Mental Health Day" and "Safety Weeks", supported by "Level IV" managers;
– widespread "Safety Lab" sessions that prompted proactive discussions;
– "Safety Box" training held in dedicated spaces raising awareness about risk prevention. For some years this has been a successful initiative, allowing employees to express and engage on relevant safety topics;
– transparent sharing of safety related information, such as frequency rates and "Flash Alerts".

The Company also refreshed some existing activities and developed new initiatives, such as:
– mandatory environment, health and safety training in particular at managers level;
– extending the "Safety Ambassadors" network;
– deploying multi-functional safety workshops;
– broadcasting videos to encourage employees to be actors of their own safety and to declare safety situations using the FISH tool;
– introducing new topics such as mental health and well-being in the refreshed version of the "Safety Boxes" for the sites where all employees have completed the original "Safety Box".

Projects such as "People Safety@Work" (PS@W) for the Company's commercial aircraft activities, the "We Care" initiative in the Airbus Defence and Space Division extended to non-operational areas, and the "Safe Together" initiative in the Airbus Helicopters Division, continue the pursuit of positive cultural and behavioural change.

New harmonised training courses have been, and are being, developed to support culture change and risk prevention, including:

– health and safety fundamentals – A digital course providing a high-level overview of occupational health and safety, the regulatory framework and the management system approach in securing a safer and healthier work environment;
– induction training – to guide managers in how to deliver an effective workplace health and safety induction for new team members, also demonstrating the Company's commitment to health, safety and wellbeing;

Over 286,815 hours of dedicated health and safety training were delivered to 90,490 individual employees between October 2021 and September 2022.

Since their creation, around 4,000 employees have attended modules 1 and 2 of the "Airbus Environment and Health & Safety (EHS) Leadership Certificate". Between October 2021 and September 2022, 2,214 employees attended these modules. Modules 3 and 4 have been made available from end 2022. Successful completion of all four modules will result in an externally validated certificate in health and safety competence.

Leadership involvement is key in stimulating continual improvement. More than 180 executives and "Level IV" managers completed the "Leadership Masterclass on Environment and Health & Safety" between October 2021 to September 2022. In addition, the majority of executives and "Level IV" managers have now attended the practical "Back to the Floor" health and safety training.

Occupational Health and Wellbeing

Psychological health and wellbeing are priorities for the Company. Whilst the causes of psychological issues tend to be multifactorial, this does not alleviate the ethical and commercial reasons for supporting employees in pursuit of a state of wellbeing – which is more than just the absence of ill-health.

Mental health consultations are offered to employees on site and remotely, providing opportunities for them to anonymously express concerns about personal or professional aspects in their life. In addition, health and wellbeing support material is made available on the Company's intranet pages.

Initiatives such as "Wellbeing seminars", "Mental Health days" and "Therapy dogs" visiting sites have helped to raise awareness and open discussion on these sensitive topics. The role of "Wellbeing Ambassador" has been created and will be deployed in 2023.

In 2022, the mandatory training list for managers included:
– "Mental Health Awareness", exploring ways to recognise and address mental health concerns and supporting managers in promoting good mental health;

– "Health and Safety Conscience of a Leader", reinforcing the accident prevention role of leaders and the importance of developing a positive health and safety culture.

Finally, the occupational health teams have continued to robustly support the fight against COVID-19 and its consequences, by providing advice and support for individual employees and the business as a whole.
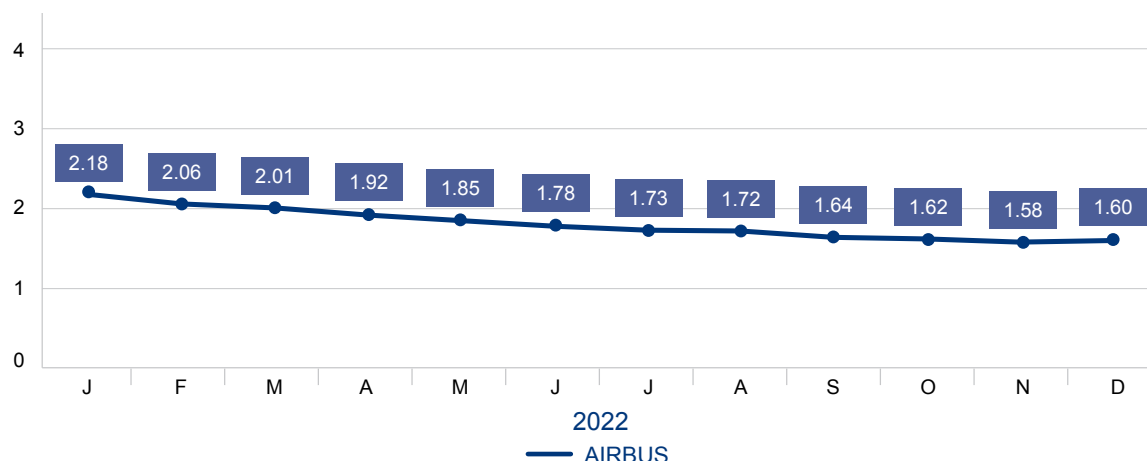
Reporting and Indicators

The Company's employees are required to report accidents, near misses and hazards to their manager, who is consequently required to investigate. The incident and investigation details are recorded and this data is analysed to identify opportunities for risk mitigation and overall performance reporting. Lost time injuries are reviewed and assessed where appropriate by the relevant bodies, including safety committees. The Frequency rate performance is also periodically shared with relevant work councils, including the SE-WC.

Company-wide data collection and analysis is performed on FISH (Federated Information for Environment, Safety and Health), a global environment, health and safety platform, including an incident management module. Around 80% of the Company's employees including the active workforce, apprentices and temporary employees, are estimated to be covered under the FISH platform. The FISH perimeter continues to be progressively extended. The deployment of the incident management module is ongoing at sites in North America and the Asia Pacific region. Complimentary data are monitored by the operational health and safety teams. The harmonisation of data management and thus more powerful analysis remains a goal.

One of the indicators used by the Company to measure its performance is the lost time injury (LTI) frequency rate (the "FR1"). This indicator is a company-wide standard designed to enable geographical and organisational comparisons and it may differ from the formulae used by other companies. This indicator considers the work-related lost time injuries in relation to the working hours, on a rolling year basis. In the company incident management method, lost time injuries are defined as those that require medical attention and which cause the employee to be absent from their normal work activity for 24 hours or more, not counting the day of the accident but including weekends and holidays. This produces a figure of the number of injuries per one million (1,000,000) worked hours. The 2022 end-of-year figure of the rolling frequency rate amounts to 1.60 Company-wide and 2.25 for the Company's commercial aircraft perimeter.

The Company rolling 12 months employee lost time injury frequency rate

Chart values (2022, AIRBUS):
J	F	M	A	M	J	J	A	S	O	N	D
2.18	2.06	2.01	1.92	1.85	1.78	1.73	1.72	1.64	1.62	1.58	1.60

The Company perimeter of the FR1 covers:
– all main sites in France, Germany and Spain for the Company's commercial aircraft perimeter and the Company Divisions;
– all main sites in UK for the Company's commercial aircraft perimeter and the Airbus Defence and Space Division;
– the Company's commercial aircraft plants in Mobile, US and in Tianjin, China;
– the Airbus Defence and Space Division site in Poland;
– in 2022 includes the consolidated data from the Airbus Helicopter Division's Asia Pacific and Latin America affiliates;
– not included are the newly created Airbus Atlantic and Airbus Aerostructures entities (and the French and German sites transferred to such entities in 2022).

In the case of the Airbus commercial aircraft business FR1 perimeter, all main sites in France, Germany, Spain and UK, and the commercial aircraft plants in Mobile, USA and in Tianjin, China are included (for the avoidance of doubt, the Airbus Helicopters and Airbus Defence and Space Divisions, and the French and German sites transferred to the newly created Airbus Atlantic and Airbus Aerostructures entities are not included).

Company-wide, the Company experienced an improvement of more than 29% in the adjusted perimeter in frequency rate in 2022. The frequency rate figures are reviewed monthly by the CEO and the Executive Committee and the data shared with all executives and senior leaders in a monthly webinar.

In addition for 2022, the Company is publishing an injury severity rate indicator. This indicator measures severity of an injury by the number of lost workdays caused by the injury, enabling another view of key risk areas. The severity rate perimeter is limited to the FISH coverage and amounts to 0.046.

A total of 28,925 near misses have been declared on FISH in the commercial aircraft perimeter. The Company pursues investigation of near misses to identify cause agents and mitigation actions that support accident prevention measures.

V. Outlook

As part of the health, safety and operational environment "2030 Flightpath" vision, the Company aims to reduce the risk of work-related injury and ill-health even further, by continually improving management system elements, monitoring and data analysis. To enhance this approach, a company-wide health and safety incident review panel is being put in place to provide oversight of incident management and data quality. This oversight will include the work of the current local level review panels, which determine accident classification. For 2023 onwards the ambition is to also audit FR1 at divisional / business level. The Company will also continue to pursue its geographical deployment of the FISH platform and tools supporting the prevention and measurement of physical and ill-health risk. Leadership competence will be further enhanced by the deployment of the final modules of the "Airbus Environment and Health & Safety (EHS) Leadership Certificate", which will provide managers with an externally validated certificate in health and safety management.

Respect Human Rights and Foster Inclusion

1.2.10 Human Rights

I. Introduction

A Commitment to Respect Human Rights

As a signatory to the United Nations Global Compact since 2003, the Company is committed to upholding international human rights principles and standards, including the International Bill of Human Rights, the International Labour Organization's ("**ILO**") Declaration on Fundamental Principles and Rights at Work and its Core Labour Standards. In doing so, the Company aims to implement policies and processes that respect applicable law in the countries in which the Company operates and take into account the UN Guiding Principles for Business and Human Rights, and the Organisation for Economic Co-operation and Development's ("**OECD**") Guidelines for Multinational Enterprises.

"Respect for human rights" was prioritised by the Company as one of the four sustainability commitments agreed by the Executive Committee and the ECSC at Board level during 2020.

In addition, in reflection of the growing importance it places on this topic, the Company endorsed including "respect human rights" as part of its 2023 Top Company Objectives in the *"in all we do, we"* section which aims to anchor good governance practices and values into the business.

The Company's actions to progress its ambition to *"embed and advance respect for human rights throughout its business, operations and supply chain related to activities under its full, direct control"* follow recommendations identified through a human rights impact and gap analysis conducted by a specialist external human rights consultancy in 2019. This analysis considered current and upcoming regulatory requirements and international best practice as well as international principles and standards, including the UN Guiding Principles for Business and Human Rights. Details of these actions follow.

Human Rights	GRI	SASB	SDGs	Others	Others
	3-3 Management of material topics 408 Child Labour 409 Forced or Compulsory Labour		4,5,8,16		Vigilance Plan
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee				
Related corporate policies and reference documents	Code of Conduct; International Framework Agreement; Airbus Supplier Code of Conduct; Airbus Human Rights Policy				
Commitments to take into account external standards and frameworks	International Bill of Human Rights, ILO's Declaration on Fundamental Principles and Rights at Work and its Core Labour Standards, OECD Guidelines for Multinational Enterprises, United Nations Guiding Principles				

KPIs	Target	Target year	2021	**2022**	2022 *vs.* 2021
% of investigations completed or in progress[1]	100%	Permanent	100%	100%	-
% of sites having undertaken a social assessment[2]	100%	2026	10%[6]	29%	+19pp
% of findings closed within 18-months[3]	100%	Permanent	100%[7]	100%[7]	-

Other key metrics	2021	**2022**	2022 *vs.* 2021
Number of participants to human rights trainings – cumulative, reporting period: 1 Oct.-30 Sep[4]	5789	6955	+1166
Number of alerts of human rights concerns[5]	4	28	

KPI and metrics assumptions:
[1] Following reports of concerns linked to forced and child labour and other labour rights.
[2] % of the Company's sites with over 100 employees, cumulative since 2020, undergoing a social assessment including human and labour rights (based on number of in scope sites at 2020).
[3] Following social assessments including human and labour rights, carried out on the Company's sites.
[4] Cumulative number of participants who have completed e-learning modules on human rights and modern slavery since 2018.
[5] Including forced labour and labour rights (received *via* OpenLine and other means) through the Company's supply chain.
[6] Cumulative since 2020. Due to a change in calculation methodology, this number has been reduced based on the 2021 report.
[7] Number of site findings closed within 18 months 100%. Closure of identified findings related to corporate management systems pending release of the Company's Sustainability Due Diligence and Human Rights Directive.

Additional resources	Code of Conduct ↘, Supplier Code of Conduct ↘, Modern Slavery Statement ↘, Human Rights on Airbus.com ↘, OECD Guidelines for Multinational Enterprises ↘, Due Diligence Guidance for Responsible Business Conduct ↘, ILO Declaration on Fundamental Principles and Rights at Work ↘

II. Governance

The Executive Vice-President Communication and Corporate Affairs has top level accountability for human rights at Executive Committee level. During 2022, following formalisation of the Company's governance arrangements for human rights in 2020, the Company held a number of meetings and presentations to support and advance respect for human rights. These included:

Governance	Number of meetings in 2022	Key responsibilities
Human Rights Core Team, chaired by the Head of Human Rights Roadmap	Target 6 (achieved)	Ensuring the development and delivery of the human rights roadmap, including actions against agreed targets and support for awareness raising and capacity building.
Human Rights Steering Committee, chaired by the Head of Sustainability and Environment	Target 3 (achieved)	Providing strategic guidance to support decision making and prioritisation, as well as providing guidance and support on progress.
Presentation on human rights to the **Executive Committee**	Target 2 (achieved)	Agree and guide the strategic direction of the Company's human rights ambition, agree and guide the prioritisation of initiatives and resource allocation for implementation and review the status and effectiveness of actions in progress (including roadmap/targets/KPIs).
Presentation on human rights at the **ECSC**	Target 1 (achieved)	Make and support decisions on identified salient issues and emerging significant risks, make and support decisions on key trends/legislation and provide feedback and steering as required.

During 2022, the Company reviewed its governance on human rights to reflect its transition from policy-setting into business integration. Part of this review included a review of the role of the Human Rights Multi-Functional Team (MFT) which has now transitioned into a Human Rights Core Team. The Core Team is made up of multi-divisional and multi-functional representatives from within the Company with key actions aligned to delivery of the Human Rights Roadmap. In addition, the mandate of key internal networks, including the Sustainability Ambassadors' network and the Ethics and Compliance network were extended to cover the topic of human rights. Work will continue to embed human rights into these networks and ensure they have the right competencies to adequately support the Human Rights Roadmap.

Human Rights Policy

Building on the human rights commitments and expectations that have existed in various key documents for many years (including within the Airbus International Framework Agreement signed in 2005, the Company's Code of Conduct and Supplier Code of Conduct), a key focus for 2022 included efforts to consolidate commitments to human rights standards and principles as well as expectations in this respect (aligned to international human rights standards and principles including the United Nations Guiding Principles for Business and Human Rights, the ILO Core Conventions on Labour Standards and the OECD Guidelines for Multinational Enterprises), into a specific internal Human Rights Policy which was formally approved in 2022 and endorsed by members of the Executive Committee.

A number of internal and external stakeholders supported the creation of the policy including divisional and functional representatives of the Human Rights Core Team and Steering Committee and members of the Legal & Compliance team. Externally the policy was reviewed by representatives from specialist expert human rights organisations, academics and civil society. The policy was also presented and discussed at the Airbus Global Forum which brings together social partner representatives from the Company's sites around the world and the *Societas Europaea* Works Council ("**SE-WC**") which represents the Company's European social partners

(see "– 1.2.12 Social Dialogue"). An external Human Rights Policy Statement by the Company's CEO, Guillaume Faury, was published on the Company's website and provides a top level summary of the Company's Human Rights Policy commitments.

The commitments contained within the Human Rights Policy will be integrated into the Company through the deployment of a dedicated internal Directive. This Directive brings together external requirements such as legal requirements and international standards and principles, as well as existing internal commitments relating to human rights including through the Airbus Code of Conduct, Airbus Supplier Code of Conduct, the International Framework Agreement and the Airbus Human Rights Policy. A key focus of 2022 included raising awareness of the Directive and respective requirements with a view to prepare the integration of the requirements into the Company's internal management system and processes. This work will continue to be a focus during 2023.

III. Risk Management

The Company's identified salient human rights issues are embedded into the Company's risk portfolio in the frame of the Company's ERM system and associated response plans developed to address identified impacts. Actions are reviewed regularly by the Human Rights Core Team and any salient human rights issues requiring particular focus are escalated to the Human Rights Steering Committee as well as the Executive Committee and ECSC as required. An update of actions related to the Company's salient human rights issues follows, with further actions progressing throughout 2023. Taking into account that salient human rights issues may change over time due to internal and external influences, the Company is committed to reviewing them regularly and at least once per year.

Salient Human Rights Issues

The Company's initial salient human rights issues were identified through a human rights impact and gap analysis carried out in 2019. This identification was based on desktop research, a benchmark of industry peers and companies in similar industries and an analysis of stakeholder expectations, including

consideration from a rightsholder perspective. These issues were reviewed, updated and validated during 2020 through the Human Rights MFT and engagement with a number of key external stakeholders, including human rights NGOs, academics/researchers and industry groups. The identified salient human rights issues (with impacted rightsholders in parentheses) and actions undertaken during 2022 follows:

– **impact of products and services (passengers and citizens):** Overseen by the Company's Executive Committee, the Company continued to review how to integrate human rights due diligence through existing processes and tools with a view to mitigating the risk of misuse of its defence products. For further details of actions related to this salient issue, please see the Due Diligence section below;

– **forced and child labour and other labour rights (contractors and supply chain):** Key activities to mitigate the risk of forced and child labour and other labour rights in the Company's supply chain included the continued roll out of the Company's revised Supplier Code of Conduct, with strengthened expectations on forced and child labour as well as other human and labour rights and a requirement for suppliers to formally confirm adherence to the Supplier Code of Conduct and to cascade the principles throughout their supply chain. In addition, the Company took actions to include human rights in the supplier onboarding process and to strengthen its supply chain due diligence including updated risk mapping (country and activity) and a review of its risk identification and alert management process. For further information, see the Due Diligence section below and "– 1.2.15 Responsible Supply Chain";

– **inclusion and diversity:** During 2022, actions to progress this salient issue included a continued focus on the "25 by 25" gender diversity ambition to increase female representation at executive levels of the Company, creating a robust pipeline including specific leadership programmes for women, such as "MyWay" where the Company increased the numbers of cohorts by 100% *versus* 2021 and to support inclusive leadership. Furthermore, a mandatory inclusion and diversity training module was rolled out for all employees achieving more than 95% by the end of 2022. For further information, see "– 1.2.11 Inclusion and Diversity";

– **the transition to decarbonisation (supply chain):** 2022 was dedicated to identifying the key areas of risk that the Company's transition to decarbonisation may create, affecting in particular human rights. The identified areas include the potential impact on communities due to the production of SAF, carbon offset initiatives and specific minerals required in the development and manufacturing of new technology. The Company is already engaged in various coalitions (*e.g.* the Roundtable for Sustainable Biomaterials and the International Sustainability and Carbon Certification) to ensure that human rights dimensions are considered in these areas. For further information see "– 1.2.2 Climate Change" and "– 1.2.15 Responsible Supply Chain";

– **data privacy:** During 2022, the data privacy team continued to implement and improve the data privacy programme throughout the Company. For further information see Privacy section in "– 1.2.14 Business Integrity".

Review of salient human rights issues

Salient Human Rights Issues
- Impacts related to products and services (*passengers and citizens*)
- Impacts related to diverse and inclusive workplaces (*own workforce*)
- Risk of forced labour (*workers in supply chain*)
- Impacts related to sourcing of raw materials (*workers in supply chain*)

During 2022, the Company undertook a full review of its salient human rights issues. This review followed a similar process of identification as that undertaken in 2019 (*via* comprehensive document review, interviews with key internal stakeholders and verification including with internal and external stakeholders) and prioritisation and weighting based on severity (assessed from scale, scope and remediability criteria) and likelihood. During this review, stakeholder feedback was taken into account which led to the identification and prioritisation of "underlying issues" to support more effective action plans. The review also included an analysis of the Company's ability to use its leverage to influence mitigation of the risk (*e.g.*, whether it is directly linked to the risk), or whether the Company has caused or contributed to the risk. Actions to progress response plans will continue through 2023.

In addition, in order to strengthen the management of the action plans, a governance framework has been established such that the Company's salient human rights issues (and identified underlying issues) are sponsored by relevant members of the Company's Executive Committee who will provide oversight of the action plans within the frame of the Company's risk portfolio. In addition, a process for the regular review of the Company's salient human rights issues is currently being developed which will include ensuring a risk review is performed at least once per year, with a more in-depth review every three years. For full details of the Company's priority risks, see "– 1.2.1 – VII. Airbus' way forward: vigilance plan".

Due Diligence on Human Rights

During 2022, the Company continued to strengthen its risk-based human rights due diligence taking into account the OECD Due Diligence Guidance for Responsible Business Conduct. This focus, which will continue throughout 2023, included:

– due diligence within the Company's own operations;
– supply chain due diligence;
– product and service due diligence (focused on the Company's defence portfolio).

This due diligence is intended to support identification, prevention or mitigation and remediation of human rights risks across the Company's value chain, including risks related to forced and child labour, working time and wages, freedom of association and discrimination and harassment in both the Company's supply chain and own operations as well as

risks in relation to the Company's products and services. Key activities conducted during 2022 under each due diligence workstream includes:

Supply Chain Due Diligence

Through the Sustainable Supply Chain Roadmap, the Company undertook a full review of the way it conducts due diligence, including related to human rights, within its supply chain. For full details, see "– 1.2.15 Responsible Supply Chain".

Due Diligence Related to Own Operations

Through the HR team, the Company started to develop due diligence in order to identify ways to manage risk related to human rights within its own operations. This included:

– development of a due diligence framework taking into account the OECD Due Diligence Guidance for Responsible Business Conduct;
– formalisation of governance for progressing actions related to this framework, including the nomination of a project lead to support and progress actions;
– prioritisation of actions linked to the Company's salient human rights issues, which includes plans to conduct a risk-based impact and gap analysis to understand the potential risk of forced labour on the Company's sites as well as review of relevant policies and processes.

Further actions will continue during 2023.

Product and Service Due Diligence
(Focused on the Company's defence portfolio)

Overseen by the Company's Executive Committee, the Company continued to review how to integrate human rights due diligence through existing processes and tools with a view to mitigating the risk of misuse of its defence products. Analysis to date has focused on the Company's products with plans to review integration of the provision of services to follow. Actions during 2022 follow:

– recognising that human rights considerations already exist in the stringent export compliance process, an assessment of the potential integration of actions, upstream of the export control process, to assess the level of risk of potential misuse. This assessment will support a decision to progress to the export control stage;
– the current proposal includes a due diligence process that takes into account the potential risk of Company products being used in violation of human rights using criteria including country risk and intended product use;
– this draft process received approval to move to a pilot phase during 2023 before further evaluation.

Further actions will continue during 2023.

Social Assessments (Focused on Human and Labour Rights) Conducted on the Company's Own Sites

During 2022, the Company continued to conduct on-site social assessments focused on human and labour rights covering its own sites. These assessments were carried out using an independent third-party social assurance provider consistent with the assessments carried out in the Company's supply chain.

Nineteen onsite social assessments (from a target of 18) were conducted in 2022 in countries including: China, Finland, France, Germany, Malaysia, Morocco, Romania, Saudi Arabia, Singapore, the UAE and the UK. The sites were selected based on an analysis of country risk using publicly available indices (including child labour, forced labour and labour rights), the type of activity (prioritising production facilities) and the number of employees. In addition, any alerts relating to human rights coming from other sources, including the ICSA process. Relevant legislation was also taken into account.

During these assessments, findings were identified across 11 sites, including through *in situ* subcontractors. The Company aims to close all site findings without undue delay and within a maximum of 18 months.

In order to strengthen its due diligence process, the Company has set a target to ensure that 100% of its sites with over 100 employees are assessed for human and labour rights risks by the end of 2026. Since 2020, 29% of the Company's sites with 100+ employees have been assessed.

Grievance and Remediation

During 2022, the Company continued to promote its SpeakUp and ListenUp culture related to human rights concerns, including reinforcement of the use of its OpenLine confidential reporting system, within its revised Supplier Code of Conduct (see "– 1.2.15 Responsible Supply Chain").

In 2022, the Company undertook a gap analysis of its OpenLine policies and processes against upcoming legal requirements and international standards and principles related to human rights, in particular the UN Guiding Principles. Overall, the Company's existing policies and procedures align with benchmark recommendations. Recommended additional actions included a review of the languages OpenLine is available in, and having the link to OpenLine available on the Contact Us' page of the Company's website. These and other identified actions will be reviewed and progressively rolled out during 2023.

If an allegation of human rights breach received from within the Company or through its supply chain or other third-party business relationships is found to be substantiated, remedy would be sought through a variety of mechanisms. If an alert is received *via* its OpenLine reporting system, the Company commits to acknowledge receipt of the report as soon as possible. The Company has a global network of internal investigators, tasked with investigating allegations, including those relating to human rights such as forced or child labour, or labour rights and working conditions.

During 2022, 28 alerts of concern were raised related to human rights or labour rights from within the Company's supply chain. This increase (from four disclosed in 2021) reflects the progressing maturity of the Company's due diligence efforts as well as increasing awareness on human rights topics. The alerts were raised through either the supplier screening process, external reports (media/NGO reports) or the Company's OpenLine. Following analysis, 24 of the alerts were closed with no required actions; four remain open pending completion of required actions. The Company will continue to investigate any new alerts during 2023.

IV. Implementation/Activities

Awareness Raising and Training

During 2022, the Company continued to raise awareness of human rights, including through the promotion of its dedicated training on human rights and modern slavery, which is available to all employees in four languages. This training was updated during 2022 to take into account the publication of the Human Rights Policy. During the period 1 October to 31 September 2022, 1,166 participants undertook this training (6,955 in total since its launch), which included information on how to identify the signs of human rights abuse and what to do if anybody has concerns. This training will be part of the compulsory training for all employees of the Company during 2023.

Also during 2022, the Company created a dedicated eLearning module on human rights targeting "Level IV" managers, including the heads of its subsidiaries and controlled affiliates. This eLearning formed part of the compulsory training for the Company's Executives during 2022 and will remain on the list during 2023. Since its launch up to 31 September 2022, 489 participants have completed this training.

Furthermore, during 2022 the Company introduced a pilot programme of in-depth training aimed at buyers and supply chain quality managers focused on human rights and in particular identifying forced labour. This programme aims to provide interactive small group virtual training to ensure deeper understanding and engagement. The aim is that this training will be rolled out further during 2023.

Additional topic-based training relating to human rights is also available to all employees of the Company, a number of which are mandatory, including inclusion and diversity topics such as unconscious bias.

The Company also published a number of articles on human rights internally *via* its Hub Portal and Airbus TV during 2022. This communication was aimed at demystifying human rights as well as focusing on topics such as forced labour and wellbeing, and included interviews as well as opportunities to provide comments and feedback. Communication will continue throughout 2023.

Stakeholder Engagement and Collaboration

During 2022, the Company continued its membership of the Global Business Initiative on Business and Human Rights (GBI), a specialist peer learning group focused on advancing respect for human rights throughout the world. As part of its membership, the Company also took part in three dedicated workstreams: downstream due diligence, environment and human rights and tracking and measurement, the progress of which were shared with other GBI members.

The Company is also a member of a number of industry trade associations which during 2022 held focused discussions on progressing human rights within the aerospace and defence industry. These include ASD (the Aerospace and Defence Industries Association of Europe), GIFAS (French Aerospace Industries Association), BDSV (German Industry Association for Security and Defence), ADS (UK Industry Association for Aerospace, Defence, Security and Space) and TechUK (the UK's technology trade association).

The Company also engaged with a number of external stakeholders on human rights in order to advance the topic through external collaboration. These included academics, researchers, civil society organisations, officials and peers. A number of discussions with the Company's investors on the topic of human rights also took place during 2022, including on the topic human rights due diligence related to defence sales.

In addition, an update of the Human Rights Roadmap was also presented to key internal stakeholder groups including the SE-WC comprising social partners from across the Company's European sites.

Regulatory Compliance

During 2022, the Company undertook an analysis of current and upcoming legislation related to human rights including Germany's new Supply Chain Due Diligence Act. Actions to fill any identified gaps will be undertaken throughout 2023.

During 2022, in accordance with the UK Modern Slavery Act and the Australian Commonwealth Modern Slavery Act, the Company published a Modern Slavery Statement outlining the actions it had undertaken to mitigate modern slavery risks in its global business, operations or supply chain. This Statement was published on the UK Government and Australian Government websites as well as the Company's website. In addition the Company completed the UK Ministry of Defence (MoD) Modern Slavery Assessment Tool.

V. Outlook

During 2023, the Company will continue its focus on embedding and advancing its commitment to respect human rights throughout its business, operations and supply chain. Specific ongoing actions include:
– progressing actions identified as part of the Company's human rights roadmap;
– progressing response plans related to its identified salient human rights issues;
– progressing social assessments focused on human and labour rights throughout the Company's sites;
– capacity building with key teams including development of training, communication and awareness raising;
– ensuring alignment of actions with current and upcoming legislation.

1.2.11 Inclusion and Diversity

I. Introduction

"Respect human rights and foster inclusion" is one of the four sustainability commitments. This priority reflects the focus the Company puts on inclusion & diversity ("**I&D**") and is illustrated by the 147 nations that its employees represent. An I&D position statement outlines the Company's commitments to creating a safe and inclusive culture, including zero tolerance to discrimination and harassment, while the Company's Code of Conduct and Supplier Code of Conduct express the expectations towards both employees and suppliers in this respect.

In line with the Company's values, a comprehensive I&D strategy drives the Company's approach to embedding I&D focusing on intergenerational, ethnic, social and cultural diversity as well as gender equality, LGBTQ+, neurodiversity and disability-friendly policies and hiring practices. The I&D strategy aims to ensure that the Company:

– creates a safe environment and inclusive culture where collaboration, empowerment, continuous learning and accountability are promoted and valued. The Company has zero tolerance for harassment or discrimination of any kind;
– attracts, recruits, develops and retains a large and diverse pool of talents. This talent is a reflection of the Company's customer and supplier base as well as the communities around;
– develops a thriving work environment supported by its values system, leadership model as well as a Code of Conduct understood and lived by all;
– is committed to have a positive long-term sustainable impact not only in the aviation sector but also in the communities the Company works in by being signatories to the SDGs.

Inclusion & Diversity	GRI	SDGs	Others
	405 Diversity and Equal Opportunity, 406 Non-discrimination	4, 5, 8, 16	Vigilance Plan
Highest governance body(ies) involved		Board of Directors / ECSC; Executive Committee Inclusion & Diversity Board	
Related corporate policies and documents		Human Resources Airbus Company Policy Airbus Code of Conduct Airbus Supplier Code of Conduct	
External standards or frameworks taken into account		Universal Declaration of Human Rights OECD Guidelines for Multinational Enterprises ILO Conventions	

KPIs	Target	Target horizon	2021	**2022**	2022 *vs.* 2021
% of external hires to be female (active workforce)	33%	Yearly	22%	27%	+5p.p.
% women in Board of Directors	33%	2022	25%	33%	+8p.p.
% women in senior management – Executives	18%	2022	14%	16%	+2p.p.
Number of men in senior management – Executives				*821*	
Number of women in senior management – Executives				*157*	

Other key metrics (More in "– 1.2.17 ESG Data Board")	2021	**2022**	2022 *vs.* 2021
% women in active workforce	19%	20%	+1p.p.
% women in Executive Committee	25%	25%	+0p.p.
% women in "Level IV" managers	16%	17%	+1p.p.

Additional resources	Code of Conduct – incl. non-discrimination commitment ⬊, Inclusion and diversity on Airbus.com ⬊, Airbus International Framework Agreement – incl. Equal Opportunities commitment UN Women's Empowerment Principles – CEO statement, AD CEO statement, LGBT+ Charter with L'Autre Cercle Association for an inclusive work environment, France Gender Pay Gap Statement 2021, UK Gender Pay Gap Report, Airbus UK I&D Agreement, Women in Aviation and Aerospace Charter ⬊, Women in Defence Charter ⬊, Partnerships supporting people with disabilities: Atouts pour tous ⬊, Handisup ⬊, Handi Proconseil ⬊

II. Governance

The I&D team is part of the "DEVELOP Centre of Expertise" within the Human Resources function and represents Airbus and its Divisions, with regional I&D focal points supporting the implementation of the I&D strategy globally.

An I&D Advisory Board, chaired by the Chief Human Resource Officer with representatives from the Executive Committee and other Divisional and regional executives, meets quarterly and provides top level oversight and input into the I&D strategy, as well as reviews risks or issues raised, providing support on new initiatives, processes or changes to policy and makes appropriate recommendations to the Executive Committee.

In addition, local I&D steering committees, championed by "Level IV" managers and executives in the regions, provide additional support to embed and advance the I&D strategy, locally and provide valuable input to the I&D team and advisory board. The steering committees are supported by a network of diversity business champions embedded in the business, who advocate for an inclusive working environment.

III. Risk Management

Any identified risks related to I&D are recorded in the Company's ERM and appropriate action plans agreed. Progress is reviewed quarterly. In addition, any alerts related to I&D raised *via* the Company's SpeakUp culture, including its OpenLine reporting system, are investigated in accordance with the Company's investigation process.

IV. Implementation/Activities

Gender Diversity

The Company supports various national and international initiatives such as International Women's Day, and since 2018 the Company has committed to the UN Women's Empowerment Principles aimed at empowering women to participate fully in economic life. The Company has also led the "Women in Aviation and Aerospace Charter" and has been instrumental in the development of the "Women in Defence Charter" which demonstrates the commitment of a growing number of organisations across the industry to build a more balanced and fairer industry for women.

In order to actively follow the four sustainability commitments, dedicated training courses on I&D related matters are permanently available to all employees and promoted within the learning catalogue and are as well included in the compulsory learning plan. With a special focus on leaders, the Company launched a "Management Basics & Leadership Foundations Programme" to ensure that inclusive leadership becomes the norm at all levels in 2020. In 2022, the MyWay Women leadership programme, dedicated to women leaders of tomorrow, registered 100 women, twice as many as the previous year. To date, this programme has trained over 220 women, including the current cohort. The Company's leadership development programme attendances are balanced in terms of gender representation.

Further dedicated role model sessions called Women@Airbus, digital recruitment events to encourage more women to apply for jobs, have been carried out online with over 400 women participating. During 2022, the Company disclosed its gender pay gap as required by both French and UK legislation, and continues to put measures in place to ensure gender pay parity worldwide.

Gender Diversity in Senior Management – Executives

The Company strives to accelerate female representation in leadership roles. Accordingly, it has set targets for gender diversity in Executives management positions, associated with a dedicated action plan. It includes slots in dedicated leadership programmes, aimed at development of leaders selected from across various geographies and functions. In 2022, performance stood at 16% against a 18% target, which is a 2p.p. increase year-on-year. The company is committed to pursuing efforts, focusing on leadership programmes, mentorship, sponsorship, targeted recruitment and strengthening promotions pipeline to enhance female representation on executives positions.

Other Diversity Dimensions

The Company is also accelerating change through its employee-led Employee Resource Group "Balance for Business" network, which has around 10,000 volunteer members worldwide. Initiatives run through this network include roadshows promoting employee-led initiatives such as peer-to-peer mentoring, confidence building and encouraging employees to challenge stereotypes and build their careers. The network also supports some outreach initiatives.

Other employee-led networks such as WIN Together, the Airbus Africa Network, Spectrum (Racial diversity and inclusion), Pride@Airbus (LGBTQ+), Generation-A (Millennials), Seniors Talent and (Dis)Ability ambassadors networks are key to raising awareness of I&D, promoting inclusion, equal rights and increasing visibility. Initiatives include mentoring, leadership development of under-represented groups as well as conferences and discussions open to all employees.

The annual Ability Weeks campaign aims to raise awareness on disability across the Company and worldwide. This includes a series of workshops and awareness sessions on topics such as: digital accessibility, workplace adaptations, mental health care. During 2022's campaign, more than 3000 employees participated in live workshops, and over 30 events were organised worldwide. These events are also an opportunity for the Company to share some of the initiatives set up internally, such as Airbus Humanity Lab showcasing prosthetic blades made from recycled carbon from a production line.

Highlighting that being unique is valued and that difference is welcome, the Company ran an awareness campaign during 2022 to promote awareness of the importance of digital accessibility for employees with disabilities as a means for inclusion.

During 2022, the Company also engaged in various social diversity programmes in partnership with a number of different associations to promote quality education and mentorship for young people from underprivileged areas. For example, the Company participated in the French government's initiative *"La France, une chance. Les entreprises s'engagent!"* to encourage companies to help everyone find their place in society by taking actions such as recruiting from underprivileged areas, promoting education learning and committing to responsible purchasing (inclusive supply chain).

V. Outlook

In 2023, the Company will pursue its I&D ambition, aiming at embedding I&D in everything it does. Priorities for 2023 include continuing the Company's focus on gender parity, while simultaneously strengthening focus on other aspects of

the I&D strategy such as disability, internationality and cognitive diversity. Upcoming actions on I&D include:
– eliminating systemic barriers during talent recruitment, development and management;
– agreeing on targets for external recruitment of women, external recruitment from non-EU countries and external recruitment of people with disabilities;
– extending leadership development programmes to include a focus on I&D and in particular on gender diversity;

– increasing awareness and training on inclusive leadership and unconscious bias;
– leveraging and reinforcing business ownership and accountability through the Company's network of diversity champions;
– continued support to encourage STEM studies for young women in schools and universities through mentorship, tutorship, directly or through the associations sponsored by the Company.

1.2.12 Social Dialogue

I. Introduction

In 2022, the Company continued its numerous discussions, consultations and negotiations with its social partners, sometimes on a daily basis in order to discuss Company transformation projects, the evolution of Company agreements, measures to support production ramp-up, or cope with the evolution of the economic environment.

These various transformations were carried out in line with the common principles and standards of the ILO convention, the OECD Guidelines for Multinational Enterprises and the principles laid down by the UN Global Compact.

Employee relations are underpinned by the Company commitments made in the Company's Code of Conduct and the Airbus International Framework Agreement, signed in 2005.

Labour Relations	GRI	SASB	SDGs	Others
	402 Labor / Management Relations		8, 16, 17	
Highest governance body(ies) involved	Executive Committee			
Related corporate ref documents	Airbus Code of Conduct, International Framework Agreement, SE-WC agreement (updated 2018)			
Airbus commitments to take into account external standards and frameworks	ILO's Declaration on Fundamental Principles and Rights at Work and its Core Labour Standards, OECD Guidelines for Multinational Enterprises			

Key metrics	2021	2022
Number of meetings with SE-WC (agreement says four per year)	12	7
% workforce covered by collective bargaining agreements	ca 80%	ca 80%
Additional resources	Code of Conduct ⬎, Airbus International Framework Agreement ⬎, ILO's Declaration on Fundamental Principles and Rights ⬎, OECD Guidelines for Multinational Enterprises ⬎, the Global Deal Initiative ⬎	

II. Governance

In the International Framework Agreement ("**IFA**"), the Company reaffirms it strives 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 social dialogue.

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

Labour relations and social dialogue are fully part of the Company's DNA and, therefore, their continuous evolution and improvement are embedded in the Company's Human Resources strategy supporting the Company's business challenges and the sustainability roadmap. It includes discussions about the identification and mitigation of risks inherent to Company's activities and those of its suppliers

with regards to human rights, environment and health & safety. In cases of restructuring, the Company strives to limit as much as possible the negative impacts on its workforce and considers employment as a priority. As an illustration, the last restructuring plan implying significant workforce reduction was completed in 2021: the COVID-19 adaptation plan resulted in the signature of various collective agreements by the main unions and provided for a range of social measures including: trainings, internal mobilities, working time adaptations, voluntary departure schemes, early retirement and the opportunity to pursue personal or professional opportunities outside of the Company, such as business creation as well as dedicated partial unemployment schemes.

Regular social dialogue is ensured at global, European and local levels as per ILO requirements, local legislation and Company agreements about social dialogue, for instance thanks to the Company's European SE-WC agreement which was updated in 2018. Sites outside Europe are also covered by the Company's IFA framing the social dialogue and social culture in line with local labour legislation, culture and practices of respective countries.

In line with the Company's global social dialogue strategy and since 2019, the discussions with the social partners have not only been assured at local or European level but have also happened at global level with the creation of the Airbus Global Forum ("**AGF**"). In line with the Company's commitments in terms of Sustainability, the AGF is a clear illustration of the Company's engagement for a responsible social dialogue. The seat allocation for employee representatives is based upon Company's headcount distribution across the globe and conditional to existing legal employee representation as per applicable regulations and practices in the relevant countries.

In addition, the Company is an active member of the Global Deal for Decent Work and Inclusive Growth initiative ("Global Deal") that was developed in cooperation with the ILO and OECD. The Global Deal is a multi-stakeholder partnership between governments, business and employers' organisations, trade unions, civil society and other organisations that seeks to make economic growth work for all against a backdrop of rapid changes in the world of work. Furthermore, the Company has regular discussions with some national and international trade union federations.

III. Risk management

The European labour relations' management of the four home countries of the Company (France, Germany, UK, Spain) is also part of the Company risk management processes and these risks are reviewed internally on a quarterly basis. For example, during 2022, employee relations continued to focus on ensuring legal compliance regarding national labour laws and investing in training the Company's HR professionals about labour law. The Company's approach to risk management is also reinforced by the OpenLine reporting system, which allows employees to report concerns anonymously (where legally permitted).

IV. Implementation/Activities

During 2022, the Company continued activities aimed at strengthening collaborative and partnership approaches with unions in various countries. The main focus has been on preserving global social dialogue, addressing Company transformation projects as well as informing and consulting about employment, working conditions and sustainability.

Preserving a Global Social Dialogue

In Europe, seven European committees have taken place at Company level in 2022, including discussions about the Company's commercial aircraft activities. The composition of the SE-WC was renewed in accordance with the Company agreement and its rules of procedure. At the Company's Airbus Helicopters Division, four European committees have taken place. The main topics have been the follow up of the Division's performance and strategy, the deployment of the site specialisation strategy and more globally the Company transformation, focusing in particular on competitiveness, digitalisation and environmental roadmap. At the Company's Airbus Defence and Space Division, eight European committees have taken place. The main topics have been the strategy and performance of the Division with a focus on sustainable transformation, including the AD 4.1 and the AD Digital reorganisations.

With a global reach, the third AGF took place early July 2022 in a digital format and has proven again to be an effective exchange platform between the Company's top leaders in the regions and its employee representatives from the Company's home countries as well as Poland, Romania, Morocco, Tunisia, Brazil, New Zealand, Australia, North America and China. The AGF agenda triggered insightful discussions around business and human resources including actions about sustainability, human rights, safety and wellbeing. It also served as an opportunity to enhance the perspective of the Company's social partners on local and regional practices with regards to social matters, especially out of the European home countries.

Supporting Company Transformation

Numerous discussions with the Company's social partners have taken place to support the creation of global business services in Portugal, Airbus Protect in France, Germany and the UK as well as the creation of Airbus Aerostructures GmbH in Germany, on top of the social impacts in relation to the ramp-up. In Spain, the discussions started in 2021 about the consolidation of the industrial activities and the maintenance of workload in the Province of Cádiz in the CBC work centre were continued and concluded successfully. Also, during 2022, the space activities in Getafe were successfully integrated.

Supporting Employees

In 2022, the Company carried out constructive dialogue with its social partners to negotiate salary increase policies where relevant with its employee representatives committees or in the frame of collective bargaining negotiations. After having listened to the members of the SE-WC on 15 September 2022, and then having discussed further with the employee representatives who signed wage agreements, the Company decided to pay an exceptional premium to its employees (see "– 1.2.13 People"), independently of current or future salary negotiations.

Furthermore, the Company is committed to preparing for the future of employment and working conditions together with social partners:

In Spain, the Company continued with the social dialogue in order to carry out the commitments included in the VI CBA (Spanish Collective Bargaining Agreement) and to put in place relevant agreements, such us a new remote working policy or in order to share with social partners the strategic direction set out in the 2030 vision.

In France, thanks to a fruitful and established long-term social dialogue with employee representatives, the Company continued the major transformation project called Reload which started in 2021, aiming at simplifying, modernising and harmonising Company agreements related to compensation, benefits, grading, working time duration, health, safety and working conditions to make them more readable for its people and adapted to the Company's challenges. This project also aims at integrating the evolution of the Metallurgic Branch Agreement which was signed in 2022. In particular an agreement about healthcare, death and disability was concluded with the signature of all unions.

In Germany, social dialogue mainly focussed on supporting the ramp-up activities, the works council elections and concluding the collective bargaining round, which was conducted by the employers' associations of the metal and electrical industry in which the Company is a member.

In the UK, the Company reached an agreement with Unite for collective bargaining rights for employees in the "Advanced Professional" and "Level V" grades for the Company's commercial aircraft activities. This was supported in a ballot of all employees in these grades.

Enabling for Sustainability Plans

In 2022, in line with its sustainability ambition, the Company reached an agreement with its social partners about the inclusion of the accident frequency rate and CO_2 in the remuneration of "Level IV" managers from the year 2022.

V. Outlook

In 2023, the Company aims to continue its dialogue with social partners, sharing its strategy, its organisational changes and preparing for its evolving ways of working, as was done in 2022. Other key areas will be the continued ramp-up of its activities and the transformation projects which will be essential to the Company's future success. Furthermore, it aims to continue discussions and cooperation with some national and international trade union federations.

1.2.13 People

I. Introduction

The Company's people draw on each other's expertise and experience and put all their passion and determination to pioneering sustainable aerospace. Human Resources is at the heart of the Company.

The current priorities of the Company's Human Resources ("**HR**") function within its People Strategy are:
– engaging, inclusive and high performing leadership;
– skilled workforce and an agile learning organisation;
– inclusive workplace and simplified ways of working.

As of 31 December 2022, the Company's workforce amounted to 134,267 employees (compared to 126,495 employees in 2021), 96% of which consisted of full-time employees. These statistics take into account consolidation effects and perimeter changes throughout 2022. Depending on country and hierarchy level, the average contractual working time is between 35 and 40 hours per week.

2022 confirmed the strong aerospace industry recovery, enabling the Company to accomplish its recruitment plan with a particular focus on new skills, diversity and generational renewal. As part of this, the Company launched a new programme to welcome university graduates, the Airbus Global Graduate Program. The faster-than-expected recovery of commercial aircraft activity and strategic programmes development in the two Divisions, resulted in the Company's workforce increasing by more than 6% (8% commercial perimeter, 5% in Airbus Defense and Space Division and 3% in Airbus Helicopters Division). Following the workforce adaptations carried out in 2020/2021, the number of leavers seen in 2022 is returning to pre COVID-19 levels, with an attrition rate of 5.0%.

The Company's workforce is 88.6% based in Europe, across more than 100 sites. Concerning the nationality of its employees, 35.0% are from France, 30.7% from Germany, 7.4% from the UK and 10.7% from Spain. The evolution of the Company's global presence is seen in the increase of the workforce located outside Europe (11.4% in 2022 *vs.* 10.9% in 2021) and the increase of nationals from outside the Company's home country nationals to 16.2% (*vs.* 15.1% in 2021), coming from 143 other countries.

Workforce by Business Segment, Geographical Areas

The breakdown of the Company's employees by business segment and geographical areas, including the percentage of part-time employees, is available in "– 1.2.17 ESG Data Board".

People	GRI	SASB		SDGs	Others
	401 Employment 404 Training and Education			4, 5, 8, 12	
Highest governance body(ies) involved	Executive Committee				
Related corporate policies	Human Resources Airbus Company Policy				

Key metrics (More in "– 1.2.17 ESG Data Board")	2021	2022	
Total number of employees[1]	126,495	134,267	
Number of Classroom Training[2]	78,984	116,363	
Number of Digital Training[2]	967,495	1,645,816	*Breakdown applies to Total Number of Employees*
Total training hours[2]	1,164,243	1,786,274	
Average training hours per employee[2]	10.8	15	

[1] The Company's headcount reporting includes all consolidated companies worldwide. Figures are based on the active workforce, *i.e.* the number of permanent and short-term employees, irrespective of their individual working times, and having worked in the last 30 days. The headcount is calculated according to the consolidation quota of the respective companies. The scope for HR structure reporting covers 100% of the Company's total active workforce from consolidated companies.
[2] Reporting period: from 1 Oct. to 30 Sep.

Additional resources	Code of Conduct ⬊, Airbus Global Workforce Forecast Book ⬊, Working at Airbus Airbus International Framework Agreement ⬊, European Commission – Pact for Skills ⬊, Employer awards 2022 ⬊: Universum ⬊, Glassdoor ⬊, Top Employer Institute ⬊, Forbes ⬊

II. Governance

The Company's workforce is managed by the HR function, guided by a set of HR policies and a strong labour structure. HR policies are discussed and agreed with social partners through continuous and regular meetings at global and local levels. The overarching HR policy is applicable to all employees and provides them with the description of the core values, mission, vision and top level initiatives for HR management, in accordance with Company's Mid-Term Strategic Plan, and external requirements and is also aligned with the Company's commitment to the IFA.

The Chief Human Resource Officer is a member of the Executive Committee. HR teams work together across Divisions and geographical boundaries to support regional activities and adapt to business needs.

III. Risk Management

Any identified risks related to the workforce and its skills and development are recorded in the Company's ERM and appropriate action plans agreed.

In addition, every two years the Company measures the perception of its employees on where the Company stands in terms of company culture and engagement through the "My Working Environment" survey. The participation rate for the last two surveys has been above 60%; the last survey was conducted in September 2021. Employees' feedback provides valuable input to define an action plan on Company level, leveraging the Company's cultural strengths to build on and directly address the concrete pain points to be improved. The company culture and engagement are regularly measured to keep track of the progress and adjust actions.

IV. Implementation/Activities

Strategic Workforce Planning

The Company's strategic workforce planning, a multi-year workforce outlook, is performed annually within the various business functions in order to manage workforce related risks and opportunities in the context of the execution of the business strategy. There are two steps that enable strategic workforce planning:
– a quantitative 2-5 year outlook based on workload scenarios;
– qualitative business discussions performed as part of the resource review.

The qualitative part of the strategic workforce planning generates a set of actions related to the business strategy, competence strategy, demographic changes, employment strategy, knowledge management and global footprint. In addition to the management of workforce risks and opportunities, the strategic workforce planning results support discussions with social partners and external workforce suppliers.

People Development and Competence Assessment

The development of all employees is essential to deliver business success. The Company strives to provide an environment that offers opportunities and the means for continuous growth and development in line with its strategy.

A yearly process derives a short, mid- and long-term competence strategy out of the Company's business strategy by:
– anticipating the supply and demand of competencies;
– identifying, securing and developing key competencies;
– creating added value through synergies, networking and best practices.

Investments in training and learning are prioritised in relation to this competence strategy.

In addition, emerging long-term competence needs are analysed in order to identify any measures to be taken. For example, some non-existing competencies today might require the Company to partner with universities to ensure the supply of these in the future. In that respect, the Company currently collaborates with more than 200 universities and 15 strategic partners. In addition, the Company is actively participating in external forums on competence evolution, such as the World Economic Forum and European Commission (Pact for Skills – see section "Training and Mobility").

In order to ensure quality time is dedicated to discuss employees' development, the Company has, as part of its annual talent management cycle, implemented the systematic development talk for all employees (with their line managers). This talk is an exchange between the manager and employee that can take place as often as needed and at least once a year, with the intention to discuss the individual development plan of the employee and to align personal aspirations with the Company needs and expectations.

The Company provides employees with a portfolio of self-awareness solutions and feedback tools that can be used to prepare for such a development talk and development plan. All agreed development items are formalised in the annual development plan by the employee which is then validated by the manager. These actions may consist of:
– learning experiences – projects, missions or career mobility;
– social learning – peer-to-peer development, coaching and mentoring;
– formal training – courses, certifications and diplomas.

The competency assessment is a means to identify potential gaps in the expected skills and knowledge of employees linked to their current position, and can be used to identify the employee's development needs. The assessment can be performed whenever necessary. It must be completed at least once every two years, or within the first month after a career mobility or a significant change to an existing job.

Training and Mobility

Accelerated during COVID-19 crisis, the digital learning strategy has allowed employees to remain active in their development during periods of remote working throughout 2022.

In addition, in 2022, to support the skills foundations and Top Company Objectives, the Company has defined and assigned compulsory learning plans directly to its employees, covering Ethics & Compliance, Export Control, Health and Safety, Product Safety, Cyber Security, Internal Controls, Diversity and Inclusion, Quality and Customer Centricity, Sustainability Awareness. This approach allows the Company to ensure that employees are well informed, trained and aware about those key topics related to major Company priorities. In 2022, 103,482 employees completed this compulsory learning plan.

From October 2021 to September 2022, the Company provided more than 1.7 million training hours to employees. In addition to the physical classroom and digital training, more than 53,600 employees benefited from other leadership development and transformation solutions proposed by the Airbus Leadership University. The Leadership University continues to strengthen the Company's approach to leadership, offering opportunities for all managers to drive their development, while accelerating the culture evolution and human transformation of the Company. It offers a range of leadership programmes which focus on developing self-awareness, leadership mindset, purposeful leadership and people leadership capabilities. One such programme that is currently offered is "Management Basics & Leadership Foundations (MBLF)" which is a refresher training available to all managers, allowing them to revisit and explore the most essential elements of managing and leading people in challenging times. As one of the main objectives is to drive collaboration and engagement in the context of a properly managed performance cycle, the aim is to increase team efficiency and effectiveness. Between 1 October 2021 and 30 September 2022, 1,819 managers completed the MBLF training.

In addition to learning solutions and managerial opportunities for development, the Company has established career and development paths enabling employees to develop specific skills, competence and jobs, such as project & programme manager, architects & integrator and expert career paths.

The Company is also involved in the "Pact for Skills" initiative launched by the European Commission to address the up-skilling and reskilling challenge in Europe. It is working together with aerospace and defence industrial companies, public authorities, and education and training providers, to build common upskilling and reskilling programmes and explore ways of working together in skills partnerships.

Mobility of employees within the Company provides overall benefit and value. Mobility helps employees develop new skills and competences and serves the business by bringing new ideas and broader perspectives to teams, while ensuring the Company has the right skills in the right place to secure the future. In 2022, more than 11,400 employees have changed jobs through internal mobility.

Remuneration

The Company's overall remuneration policy is in line with local practices and provides employees with a competitive overall compensation package. It is also an enabler to attract new talents and retain talented employees contributing to the Company's business success. The Company strives to compensate its own employees with, at a minimum, a living wage covering their basic needs calculated in-line with best practice. A dedicated action was launched in 2022 to assess current alignment status.

For employees below manager level, collective labour agreements are applied in the Company's home countries (France, Germany, UK and Spain). This includes wage levels and increases, supplementary grants and gratifications (*e.g.*, end of year gratification). Starting at manager level, compensation of employees can contain a variable part. The percentage of such variable pay in total compensation increases at higher hierarchical levels.

In order to help face the energy crisis and inflation, the Company has decided to pay in 2022 an exceptional premium to its employees, including apprentices and temporary workers. Around 150,000 workers received this exceptional premium at the end of 2022.

Support for health care, unemployment insurance, national and Company pension systems as well as social security contributions are implemented, at least in compliance with national regulations.

Some benefits or specific worldwide schemes are implemented such as sharing the financial and operational success of the Company with the employees (international success sharing scheme deployed for around 115,000 employees in 2022) or developing the Company share ownership culture (Employee Share Ownership Plan – "**ESOP**").

Employee Share Ownership Plan

The ESOP allows employees to participate in the success of the Company and to become shareholders of the Company every year. This plan is an investment opportunity to acquire a certain number of Company' shares, which is open to the employees in more than 40 countries. Introduced in 2011, the ESOP scheme is a "share matching plan" in which the Company matches the number of shares bought by the employee according to set criteria. An eligible employee in the frame of ESOP 2022 is part of an entity which is at least 50% owned by the Company, and has been an employee between 31 December 2021 and 17 March 2022. In 2022, more than 61,000 eligible employees seized the opportunity to subscribe. 2.12 million shares were distributed to employees through the plan ESOP 2022.

Other Benefits

Employees in the vast majority of countries all over Airbus can benefit from several measures allowing a better work-life balance, such as remote or hybrid (from home or else) working when this is compatible with the job position.

The Company has also set up "family friendly" measures such as childcare facilities accessible to employees in some sites or alternative subventioned kindergartens, in countries like France, Spain, Germany, Canada, Brazil, Chile and India. Parental leaves are granted at least in line with regulatory requirements. More than 60% of Company employees located in more than 20 countries can benefit from maternity or paternity leaves that exceed local applicable regulations, in terms of period of leave and/or in terms of level of salary compensation during such leave.

V. Outlook

The Company created the People Strategy in 2020 to ensure "Our People," the Company's most valuable asset, are prepared to carry out the business strategy.

The three pillars of the People Strategy – *Engaging Leadership*, *Agile Upskilling of our Workforce* and an *Inclusive Workplace* – have guided the Company people-related activities over the course of 2022 and will remain paramount as the Company continues to attract, recruit and retain the key competencies and skills needed to support business ramp up and key programme launches.

Over the next two years the Company expects to pursue significant external hiring. Several thousand positions shall be filled in different functional and geographical areas of the Company to support the ramp up in commercial aviation and to prepare for the development of future programmes. A fifth of these recruitments will target the skills needed for the development of new programmes and new technologies.

In the meantime, the Company will continuously focus on people development to close the gap on critical skills needed and will invest into emerging skills development. The Company continues its journey towards becoming an agile learning organisation. Reskilling is a major part of the learning culture aimed at supporting critical ramp-up projects in the short term, and in the long term sustaining the acceleration of skills shift.

The employee experience is brought back to the centre of the Company priorities. For the coming years, the Better Workplace programme is empowering the Company's employees to address and act upon the changes they aspire in every dimension of their workplace. In uncertain times and with tremendous challenges ahead, the Company aims at remaining one of the best places to work. Through its Better Workplace programme, the Company is working toward giving every employee the workplace they need, the tools they deserve and a culture they can celebrate.

In the challenging employment market, the Company will continue to invest in global attraction campaigns and to strengthen collaboration with the business to deliver on staffing needs.

01

Exemplify Business Integrity

1.2.14 Business Integrity

I. Introduction

The Company's Ethics & Compliance programme seeks to ensure that the Company's business practices conform to applicable laws, regulations and ethical business principles, as well as reinforcing a culture of integrity and speak-up. In 2022, Ethics & Compliance continued to be a top priority for the Company. In its list of priorities for the year, the Company set the objective to Speak Up, Listen Up and act with integrity and respect.

The Company has worked over the past several years to develop an Ethics & Compliance programme that is structured around the following key risk areas: Business Ethics / Anti-Corruption

Compliance, Export Compliance and Privacy. Each of these areas is, in turn, supported by dedicated compliance policies and a team responsible for their implementation, together with the identification and proposal of new measures to adapt to a constantly evolving regulatory landscape.

Improving the Ethics & Compliance programme remains a constant and ongoing process, in cooperation with other functions within the Company, in order to sustain and capitalise on its values.

Business Integrity	GRI	SASB		SDGs	Others
	205 Anti Corruption	Business Ethics		16	
Highest governance body(ies) involved	Board of Directors / ECSC Executive Committee				
Related corporate policies and reference documents	Anti Corruption Policy, Responsible Lobbying Charter Directives: see below, section III. Risk Management Code of conduct, Supplier Code of Conduct				
External standards taken into account	IFBEC's Global Principles of Business Ethics, FX Global Code				

Key metrics	2021	**2022**
Number of employees per appointed Ethics & Compliance Representatives	372	360
Number of employees per appointed Export Control Point of Contact		236
% of employees who completed the E&C training objective *(Reporting period: from 1 Jan. to 31 Dec.)*	90%	96%
Number of E&C e-learning sessions taken by employees *(Reporting period: from 1 Oct. to 30 Sep.)*	284,774	290,178
Of which Export Control e-learning sessions delivered to employees *(Reporting period: from 1 Oct. to 30 Sep.)*		149,426
Number of privacy e-learning sessions delivered to employees *(Reporting period: from 1 Oct. to 30 Sep.)*	9,327	3,181
Additional resources	Airbus Ethics & Compliance webpage, including CEO statement ⬎, Airbus Values Anti Corruption Policy ⬎, Responsible Lobbying Charter ⬎, Airbus' commitment on the protection of Personal Data ⬎, Code of Conduct ⬎, Supplier Code of Conduct ⬎, OpenLine ⬎, Compliance at Airbus IFBEC website ⬎, Global Foreign Exchange Committee website ⬎	

II. Governance

The Ethics & Compliance organisation is part of the Legal Department under the ultimate responsibility of the Company's General Counsel. The aim is to provide strong governance throughout the Company with the global presence of qualified Compliance officers who ensure the Ethics & Compliance programme is implemented consistently in the different functional and operational areas.

The Company's Chief Ethics & Compliance Officer, who reports to both the General Counsel and the ECSC of the Board of Directors, leads a dedicated team of Compliance professionals who are responsible for supporting and advising across the Company on compliance related topics, supporting the day-to-day business, performing risk assessments, drafting policies, conducting third party due diligence, investigating compliance

allegations, implementing tools and controls and delivering compliance training.

The ECSC also plays a key role in the oversight and continued development of the Company's Ethics & Compliance programme, organisation and framework for the effective governance of Ethics & Compliance.

In addition to the dedicated Compliance professionals, the Company is coordinating a network of part-time Ethics & Compliance Representatives ("**ECRs**"), spanning all Divisions, functions, and regions. The number of ECRs slightly increased in 2022, with a total of 373 ECRs at the end of 2022 (compared to 340 at the end of 2021). Although the ECR network members are not compliance experts, they play an important role in promoting

the Ethics & Compliance programme and culture and serve as points of contact for any employee who has questions about the Ethics & Compliance programme or wishes to raise an Ethics & Compliance concern, including but not limited to bribery or corruption. The Ethics & Compliance team animates the ECR network, providing continuous training and information to the ECRs.

In February 2022, the Company launched the Export Control Points of Contact ("**EPoCs**") network, spanning all Divisions, functions, and regions. Similar to ECRs, EPoCs are not export control experts but serve as "first line of defence" and the "go-to" individuals for export control matters. On the occasion of the launch, the Chief Ethics & Compliance Officer stated that "by raising awareness among employees and acting as local focal points for queries on Export Control-related topics in their respective functions, EPoCs will be key contributors to the Company's common objective: embed an export control compliance system and culture throughout Company's businesses." By the end of 2022, the network was established and active within the business, with a total of 570 EPOCs.

Likewise, the Personal Data Protection Officer ("**DPO**") relies on a team of privacy experts to guide, train and advise the business with respect to privacy requirements, and a network of Privacy Focal Points in the business functions and affiliates, to support the Airbus privacy programme.

III. Risk Management

The Company is required to comply with numerous laws and regulations in jurisdictions around the world where it conducts business. This includes countries perceived as presenting an increased risk of corruption.

Accordingly, the Company conducts a thorough bribery and corruption risk assessment across its two Divisions and different businesses annually. The results of this risk assessment are embedded and monitored within the Company's ERM framework and highlight, among others, the risk of improper payments being made to or *via* third parties such as sales intermediaries, lobbyists and special advisors, suppliers, distributors and joint venture or offset partners. Further corruption risks include the use of sponsorships, donations, or political contributions to improperly benefit decision-makers, or the provision of excessive or overly frequent gifts and hospitality by Company employees.

In order to ensure its compliance with Export Control regulations and laws in the European Union, US and internationally, the Company continues to strengthen its Export Control compliance programme to ensure it is fit for purpose. Where risks are identified, they are embedded and monitored in the Company's ERM. Identified risks include potential unauthorised access to export-controlled data and hardware by third parties and non-compliance with the ITAR.

Regarding privacy, the Company undertakes privacy impact assessments depending on the nature of the personal data processed or scale of the processing. In addition, risks relating to the protection of personal data are also assessed in the context of the ERM and kept updated.

Specific directives have been adopted to address the Company's key compliance risk areas. These include among others:
– Requirements for the Prevention of Corruption in the Engagement of Sales Intermediaries;
– Requirements for the Prevention of Corruption in the Engagement of Lobbyists & Special Advisors;
– Requirements for Gifts & Hospitality;
– Requirements for Sponsorships, Donations and Corporate Memberships;
– Requirements for Supplier Compliance Review;
– Requirements for Preventing and Declaring Conflicts of Interest;
– Requirements for the Prevention of Corruption related to Mergers & Acquisitions, Joint Ventures, Partnerships and similar Transactions;
– Method for the Prevention of Corruption in the Context of International Cooperation & Offset Activities;
– Requirements for Anti-Money Laundering / Know your Customer;
– Guidelines for Competitive Intelligence Gathering Activities
– Requirements for Export Control Sanctions, Embargoes and Screening;
– Requirements for Export Control Framework;
– Requirements for Export Control Escalation and Voluntary Disclosure;
– Requirements for Export Control Brokering;
– Requirements for Export Control Classification;
– Requirements for Export Control Licences and Agreements;
– Requirements for ITAR Part 130 Reporting;
– Personal Data Protection Directive, Method and Binding Corporate Rules.

The Ethics & Compliance organisation is charged with oversight and monitoring of these directives to ensure that they are being implemented effectively. Periodic controls on key processes are performed and reports provided to the Company's Executive Committee and the ECSC, including recommendations to strengthen the Ethics & Compliance programme where necessary.

In addition, the Corporate Audit & Forensic Department conducts periodic, independent audits of the Company's compliance processes to assess the effectiveness of internal controls and procedures and allow the Company to develop action plans for strengthening such controls.

IV. Implementation/Activities

Awareness and Training

As part of their annual goals & objectives, all Company 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, certain employees are selected to attend live classroom training as well, including on Anti Bribery & Corruption and Export Control. Attendance in such cases is mandatory, and managers have a responsibility to ensure that their team members do so. Exposed employees are also required to complete regular training refreshers.

From 1 October 2021 to 30 September 2022, the Company's employees followed 290,178 Ethics & Compliance e-learning sessions, including on bribery, corruption and export control. Furthermore, 4,699 employees attended live classroom training

on different Ethics & Compliance topics over the period, the majority of which were delivered in virtual classroom settings due to the pandemic.

Likewise, the Company also delivered anti-bribery and corruption training towards higher risk third parties, including sales intermediaries, lobbyists and special advisors. In 2022, 100% of higher risk third parties were trained on Ethics & Compliance requirements and expectations.

The Company continued the roll out of the privacy e-learning as part of the Ethics & Compliance compulsory training catalogue. 3,181 privacy training sessions were performed in 2022 (reporting period from 1 October 2021 to 30 September 2022).

Speak-Up Channel: OpenLine

The Company recognises that the Code of Conduct cannot address every challenging situations that may arise, and therefore encourages its employees to speak-up through various channels, including through OpenLine (available at **https://www. airbusopenline.com**). The OpenLine enables users to submit an alert securely and confidentially, and also to ask questions related to Ethics & Compliance.

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.

In addition, the dataprotection@airbus.com mailbox is systematically published in the Company's privacy policies and information notices specific to the various applications, to ensure that data subjects can exercise their rights and/or lodge complaints.

To further increase awareness about Speak-Up, in 2022, the Ethics & Compliance team conducted an analysis of the results from the Company's internal survey "My Working Environment" to identify opportunities to continuously foster a Speak Up culture. This analysis led to the launch of additional initiatives throughout the Company to promote Speak-Up culture, including the development of a Speak-Up team talk in January 2022, which was shared with all managers to help them raise the importance of speaking-up with their teams. A simplified version of this "team talk" was designed and deployed within the shop floor community.

In 2022, the Company received a total of 847 investigative requests of which 524 were HR related. Cases requiring investigation are managed by dedicated members of the Ethics & Compliance team in accordance with an internal method for the conduct of Investigations. The Ethics & Compliance team provides regular updates to the pool of internal investigators, on internal policies, recent developments in the regulatory framework, and recurring reminders on investigation best practices to ensure the consistent deployment of compliance investigations across the entire Company.

847 investigative requests received in 2022

HR-related investigative requests — 524

323 — Compliance-related investigative requests
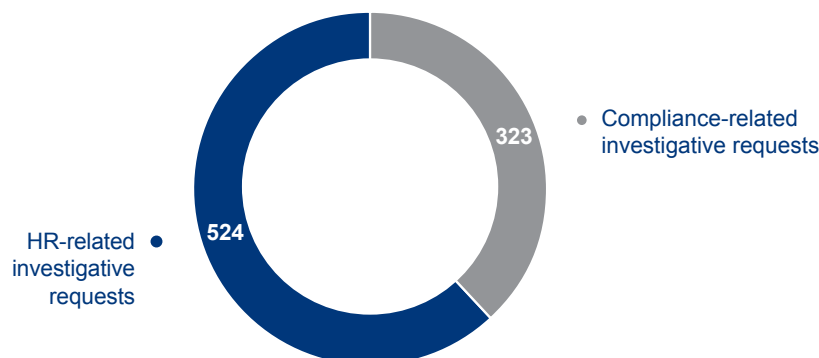
In some instances, the Company may engage outside counsel for support, depending on the nature of the investigation.

The Ethics, Compliance & Sustainability Committee and other relevant stakeholders (including relevant authorities, if applicable, and Company's local management teams) are briefed regarding the progress and outcome of internal investigations on a regular basis.

Policies and Procedures

In 2022, the Company continued to improve its policies and procedures framework, by issuing a guidance on third parties categorisation, for example, and translating the Code of Conduct into seven additional languages to maximise the reach of this foundational document. All policies and guidelines are made available to employees on the Intranet, and classroom training

is delivered to employees who are particularly exposed to the underlying risks as described above.

On the Export Control side, the Company has cascaded its Export Control requirements through nine Directives and Methods throughout the Company. The cascading triggered an update of the relevant business processes and was completed in Summer 2022.

In 2021 and 2022, as required under the Consent Agreement, two audits of the Company's ITAR compliance programme were undertaken by external counsels. Please refer to "Notes to the IFRS Consolidated Financial Statements – Note 39: Litigation and Claims" (Investigation by the SFO, PNF, DoJ, DoS, Related Commercial Litigation).

Responsible Lobbying Charter

The Company is committed to ensuring that any lobbying activity is undertaken in compliance with all applicable laws and its anti-corruption programme. In 2021, the Company launched a Responsible Lobbying Charter aimed at anybody who engages with public officials in any capacity, including third party representatives retained by the Company. The Charter outlines the Company's core principles for responsible lobbying and brings together the Company's key codes and directives relevant to this topic. The principles are also reinforced by a training module available to all employees.

V. Outlook

An effective Ethics & Compliance programme is one that, by definition, continuously adapts to changes and improves over time. Going forward, the Company will continue to assess its risks and monitor and test the implementation of mitigation measures at all levels: corporate level, Divisions, regions and local entities.

When misconduct reveals a gap in compliance policies, procedures or tools, the Company undertakes revisions to its Ethics & Compliance programme commensurate with the wrongdoing and in light of lessons learned. While compliance at the Company will therefore always be a work in progress, the Company is committed to this endeavour, as it aims to make its Ethics & Compliance programme sustainable over time.

1.2.15 Responsible Supply Chain

I. Introduction

At the end of 2022, approximately 18,000 suppliers from more than 90 countries supply parts, components, systems and services to the Company.
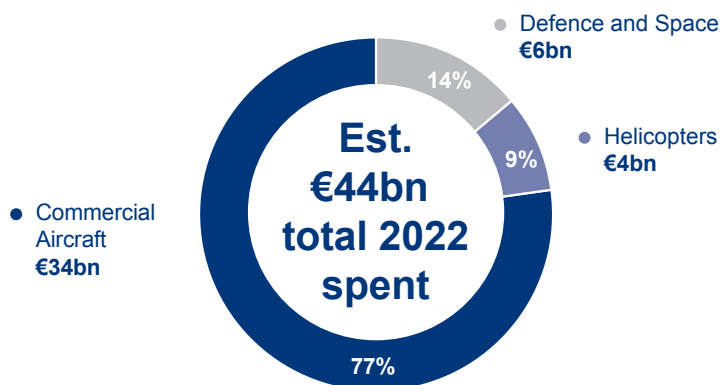
In 2022, the Company's external sourcing volume was estimated around € 44 billion and shared between Divisions with 77% for the Company's commercial aircraft business, 14% for the Airbus Defence and Space Division and 9% for the Airbus Helicopters Division.

Of note, these figures may marginally change, as the data consolidation process was not finalised at the date of publication.

RESPONSIBLE SUPPLY CHAIN	GRI	SASB	SDGs	Others
	102-9 Supply Chain 204 Procurement Practices 308 Supplier Environmental Assessment 408 Child Labor 409 Forced or Compulsory Labor 414 Supplier Social Assessment	Materials Sourcing	4, 5, 8, 9, 12, 13, 16, 17	Vigilance plan
Highest governance body(ies) involved	Board of Directors / ECSC Sustainable Supply Chain Roadmap Steering Committee			
Related corporate policies	Responsible Mineral Policy, Environmental Policy, Health and Safety Policy			
Certifications	ISO 14001	As Company's commercial aircraft business and its two Divisions are certified, control and influence of the supply chain is concerned.		
Company's commitments to external standards and frameworks	Reference to certain international organisations standards or principles, in particular ILO have been included into the Airbus Supplier Code of Conduct			

| KPIs	2022 Target	2021	2022	2022 vs 2021
Percentage of sourcing volume of suppliers invited to CDP who have responded	75%	68%[1]	78%[6]	+9p.p.
Percentage of identified high risk suppliers[2], who have undergone a sustainability assessment	100%[5]	95%	99.5%	+4.5p.p.
Percentage of sourcing volume covered by supplier commitment to the Supplier Code of Conduct[4]	85%	79%[3]	86%[6]	+7p.p.
Digitalisation of supplier substance data collection – supplier sites	290[7]	-	298	-

Other key metrics		2021	2022	
Sustainability assessment: percentage of assessed suppliers not meeting the Company's sustainability expectations (=red flags)		13%	16%	
Percentage of action plans defined for suppliers not meeting the Company's sustainability expectations		15%	31%	
Percentage of responding suppliers to the CDP scoring A or B		53%[8]	66%[6]	
Number of sustainability alerts		12	44	

Assumptions	(1) Based on 2019 turnover. (2) Based on 2019 risky suppliers *(see details further in § Risk Management/1. Supply base risk mapping)*.19 suppliers have since 2019 been removed from the scope (see details below). (3) Based on 2020 turnover. (4) Subsidiaries excluded from the scope. (5) 2021 target. (6) Based on 2021 turnover for the Divisions and the entity in Canada (7) Target defined for the Company's commercial aircraft business. (8) Based on number of suppliers.
Additional resources	Supplier Code of Conduct ⭘, Environmental Policy Statement ⭘, Responsible Mineral Policy statement ⭘, Be an Airbus supplier on Airbus.com, Human Rights Policy, IFBEC ⭘, Responsible Minerals initiative ⭘, OECD Due Diligence Guidelines for Responsible Business Conduct ⭘

In 2022, the Company sourced 89% of its total purchased volume from countries in which it has significant operations, including France 34%, USA 23%, Germany 16%, United Kingdom 9%, Spain 4%, Canada 2% and China 1%.
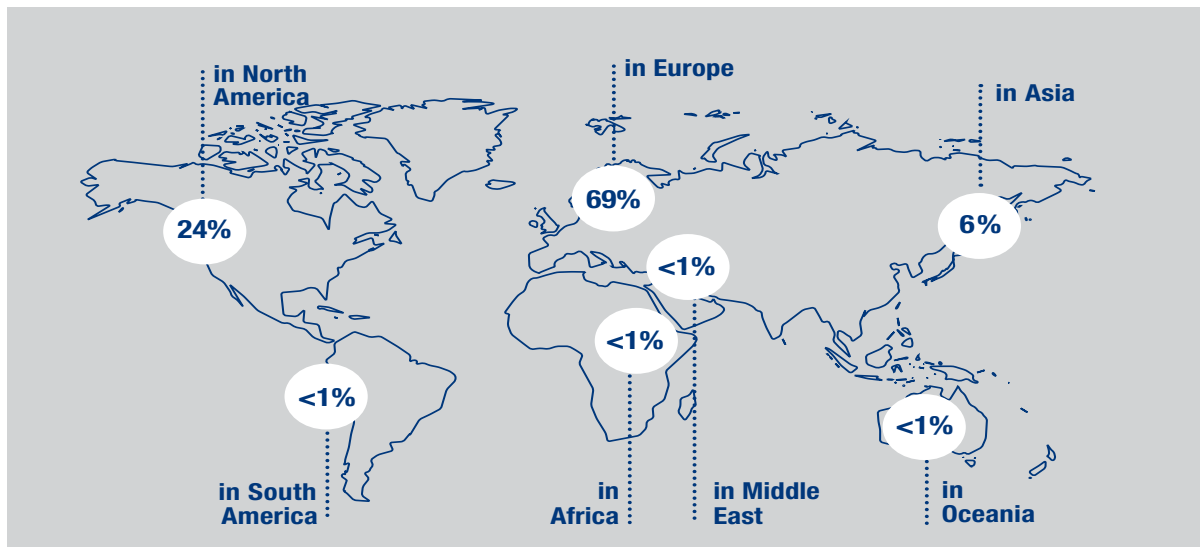
Company's 2022 total spent regional split

While the Company's products and services are sold all over the world, the majority of its supply chain is based in Europe and OECD countries. However, in the past few years, the supply chain has become concentrated and more international. 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 as follows based on Tier one suppliers only.

To promote further globalisation of its sourcing footprint, the Company has established regional procurement offices in North America (Herndon, VA), India (Bangalore), Asia Pacific (Singapore) and China (Beijing). The regional procurement offices represent the Procurement function in the respective regions. They are responsible for strategic sourcing, general procurement and supplier development (procurement operations) while supporting the application of the Company's procurement process and policy and digital solutions. As the Company's commercial aircraft business and its two Divisions are certified ISO 14001, the Procurement function acts in adherence with ISO 14001 requirements.

II. Governance

The Company's sustainable supply chain ambition is built on four pillars: "lead the journey towards clean aerospace, respect human rights and foster inclusion, build our business on the foundation of safety and quality, exemplify business integrity".

Derived from this ambition, the Company's Sustainable Supply Chain Roadmap is based on a three-step approach; supplier commitment, supplier assessment, supplier engagement & development.

The Company strives to make environmental and social responsibility a core element of its procurement strategy. This includes managing the relationships with suppliers throughout the sourcing strategy, supplier selection, contract management and supplier monitoring and development. The Company's suppliers must comply with all applicable laws and regulations. In addition, all business shall be conducted by suppliers in compliance with the principles of the Company's Supplier Code of Conduct, which is the document of reference for the Company's responsible supplier management. This Supplier Code of Conduct integrates the group-wide values and principles in line with internationally recognised standards and conventions (such as OECD and ILO).

In order to drive the Sustainable Supply Chain Roadmap ("**SSCR**"), a monthly Steering Committee chaired by the Head of Sustainability & Environment, and the Head of Procurement Governance & Strategy and the representative of the Chief Procurement Officer of the Company is implemented. The Steering Committee includes Chief Procurement Officers of Airbus Helicopters and of Airbus Defence and Space, as well as the Head of Health & Safety, the Head of Product Safety and the Head of Ethics & Compliance, or their nominated representatives. The EVP Communication and Corporate Affairs and the Chief Procurement Officer of the Company act as sponsors of the SSCR. In addition, the Head of Procurement Governance and Strategy is part of the Procurement Leadership Team and is responsible for facilitating the communication on sustainability activities between the SSCR and the Procurement Leadership Team on a regular basis.

In 2022 the SSCR Steering Committee validated the annual planning and quarterly reviewed the progress of its SSCR implementation notably regarding the assessment of suppliers' sustainability practices as well as the reinforcement of the engagement with suppliers. On top of those forums, the Chief Procurement Officer of the Company also reports to the ECSC on the progress of the Company's responsible sourcing strategy implementation.

Concrete sustainability targets have been included in the 2022 objectives of the Company's Chief Procurement Officer ("**CPO**") and are directly linked to the CPO's variable pay and cascaded through the Company's Procurement organisations:
– commitment by suppliers to Airbus Supplier Code of Conduct for 85% of the 2021 sourcing volume;
– supplier sustainability assessments completed for 50% of the 2021 sourcing volume;
– response of suppliers to CDP assessment for 75% of the 2021 sourcing volume.

All sustainability activities in the supply chain are based on the following key elements and principles of due diligence following the OECD Due Diligence Guidance for Responsible Business Conduct:
– supply base risk mapping;
– supplier engagement and contractual requirements;
– supplier assessment/audits and development plans;
– policies, tools and reporting.

For any anti-corruption topics in the supply chain, the Procurement function cooperates closely with the Legal & Compliance department. The Company has also engaged into a plan to further develop its due diligence mechanisms (see IV. Due Diligence in the supply chain).

Those priorities are consistent with the most material topics identified in the Company's supply chain.

III. Risk Management

The Company's procurement-related risks and opportunities are embedded into the Company's ERM process. Risks and opportunities related to the deployment of the sustainability roadmap in the supply chain are managed according to the Procurement ERM plan and detailed hereafter.

1. Impact on the Company's Reputation

Any industrial accident or other serious incident in the supply chain, or any problems of the supplier to fulfil its operational or product compliance may have a significant adverse effect on the reputation of the Company and its products and services. The Company's reputation may also be affected by the public perception of social and/or environmental impacts of its supply chain's industrial operations on local environments, communities, biodiversity and the general public's health.

2. Impact on the Local Environment

From the extraction of raw materials to the manufacturing of parts delivered to the Company, a supplier's industrial operations may have significant adverse environmental impacts on the local environment where the activity is performed, with possible impacts on air, water, soil, biodiversity, workers' occupational health and safety, on the health of the general public, on the land rights of the local or indigenous communities and on forced and child labour (see salient risks in section "– 1.2.10 Human Rights").

3. Business Disruption Risk

In the event of a supplier failing to comply with environmental, human/labour rights, health and safety laws and regulations, even if caused by factors beyond its control, that failure may result in the levying of civil or criminal penalties and fines against the supplier. Regulatory authorities may require them to conduct investigations and undertake remedial activities, curtail operations or close installations or facilities temporarily to prevent imminent risks.

4. Risk of Product Non-Compliance

The various products manufactured and sold by suppliers must comply with applicable environmental, human/labour rights, health and safety laws and regulations, for example those covering substances and product composition. Even if a supplier seeks to ensure that its products meet the highest quality standards, increasingly stringent and complex laws and regulations, new scientific discoveries, delivery of defective products or the obligation to notify or provide regulatory authorities or others with required information (such as under the REACH regulation) may force it to adapt, redesign, redevelop, recertify and/or remove its products from the market. Seizures of defective products may be pronounced and could prevent delivery to the Company. In response, a Procurement Task Force has been established to ensure group-wide governance for supplier management and assessment of chemical regulations and obsolescence impact. This task force also coordinates communication to suppliers on substance issues and on substitution solutions qualified by the Company.

In this frame, the Company provided to its supply chain a dedicated Tool Kit on "REACH Substances – Certain Requirements & Substitution programmes". This tool kit reminds the main principles of the REACH regulation as Authorisation, Restrictions and Substitutions programmes in order to raise the attention of the supply chain on these challenges.

In response to the above 1. to 4., the Company deploys responsible sourcing activities and specific supplier due diligence actions in the frame of the SSCR.

IV. Supply Chain Vigilance Plan

1. Due Diligence in the Supply Chain

In 2022 the Company launched a project aimed at reinforcing due diligence in its supply chain. The outcomes of the project will be rolled out in 2023. Activities under this project cover primarily the Company's own suppliers; nonetheless, if an alert raised is linked to an upstream supplier, the Company will act on it as appropriate.

Alert and Grievance Mechanism

From 2019, the Company's OpenLine has been accessible to external stakeholders, such as suppliers and their employees. For further information on OpenLine, see "– 1.2.14 Business Integrity". Access to OpenLine has been reiterated in the revised Supplier Code of Conduct.

In addition to OpenLine, the Company's sustainable supply chain team may receive alerts from other sources including through the supplier onboarding process, media or directly from employees. During 2022, the sustainable supply chain roadmap received alerts on 44 potential allegations relating to environmental and human rights concerns in its supply chain. The number of alerts

increased in 2022, following the inclusion in a more systematic manner of sustainability criteria into the screening (including human rights, environment, health and safety). Analysis and/ or investigations of those alerts are either complete or still in progress, according to best practice developed by the Legal and Compliance team as detailed below:

– initial review to determine if an investigation is needed;
– detailed analysis of the allegation including collection of evidence;
– assessment of information and documentation collected during the investigation, preparation of an investigation report which summarises the findings and proposes remedial actions necessary to reasonably respond to and prevent the recurrence of the conduct, if any;
– closing the investigation and reporting;
– monitoring of the implementation of remedial actions.

Supplier Risk Mapping

The supplier risk mapping is based on the alerts and grievance mechanisms detailed above, as well as the inherent risk mapping described below. It covers primarily tier-one suppliers; nonetheless if an alert raised is linked to a sub-tier supplier, the Company will include it in its risk mapping and act on it as appropriate.

Since 2018, the Procurement team has carried out annual proactive sustainability inherent risk mapping in line with international guidance, internal commodity expertise and externally available country indices. In 2021 and 2022, with the support of external advisors, the Company upgraded its inherent risk mapping methodology building on risk indexes considering the location and the type of activity performed by the suppliers. This allowed the delivery of an up-to-date suppliers' sustainability risk assessment and to identify suppliers most at risk regarding human rights, environment and health and safety (*e.g.* association freedom, decent wages, pollution).

In 2022, the Company updated its inherent risk mapping to rank its active suppliers according to this methodology. The riskiest suppliers will be invited to undertake an evidence-based desktop sustainability assessment according to the programme developed in 2022 with IAEG (see the section Engagement and awareness hereafter). Based on this assessment, a supplier not satisfying the Company's sustainability expectations, which means not meeting a defined level of maturity for each category, will be classified as "red flag", and will be requested to develop an improvement action plan.

Assessment – Evidence-based Desktop Assessments

The Company conducts two types of evidence-based desktop assessments: sustainability and carbon maturity. Since 2019, the Company has worked with external expert companies to conduct evidence-based desktop sustainability assessments and specific on-site assessments covering human rights, labour practices, health and safety and environment. At the end of 2022, 99.5% of the suppliers identified as high risk according to the Company's 2019 risk mapping methodology (in 2022, 19 suppliers were removed from the list for reasons such as not doing business with the Company anymore, or being a distributor) completed an evidence-based desktop assessment compared to a target of 100%.

In addition to suppliers identified as high risk, the Company extended the coverage of the assessment to additional suppliers in order to progressively cover a more representative portion of its supply chain. At the end of the year 2022, 73% of the sourcing volume was covered. Out of the suppliers completing an assessment, 16% (118) have at least one red flag (mainly linked to the environmental criteria). Those red flags are mainly linked to the environmental category for which the Company is requesting details on processes in place at the suppliers for capturing and satisfying regulatory changes, as well as for a certified environmental management systems addressing, notably, management of chemicals and GHG emissions.

Since 2020, the Company has engaged in the supply chain programme of the CDP in order to promote transparency about climate actions in the Company's supply chain. See section 5. "CO_2 emissions".

Assessment – On-site Assessments

A particular situation triggered by a result of an evidence based desktop assessment, or by any sustainability alert, may lead the Company to request an on-site assessment at a particular supplier site. In 2022, the Company performed seven on-site assessments. The Company engaged with suppliers on findings in order to improve the situation, when relevant.

Engagement & Mitigation Measures

The Company engages directly with suppliers in a number of different circumstances:

– if sustainability alerts have been reported linked to those suppliers;
– if a supplier has been identified as risky in the frame of the risk mapping methodology;
– if a supplier's assessment results have raised concerns on one or more sustainability aspects.

The results of the completed assessments (including a sustainability or CDP assessment) are communicated during events with suppliers and engagement takes place with all suppliers presenting findings. In addition, the Company reviews its relationship with suppliers who refuse to participate in its assessment programme.

On top of the above-described engagement linked to due diligence and findings, the Company is also engaging with its supply chain as described in section 3. "Engagement and awareness" below.

2. Traceability

Substances

See section III. "Risk management".

End of 2021, the Company launched a project to digitise the way for the suppliers to provide substance in products information. The main objective is to improve traceability and transparency on substances in products from the supply chain related to regulatory requirements. It also aims at replacing the current process and allowing an automated way of sharing this information. The solution for supplier substance data collection project started in 2022, with a target for the Company's commercial aircraft business of 290 suppliers' sites to be deployed in the digital solution by year-end. At the end of 2022 this target was achieved.

Responsible Mineral Sourcing

The Company places great importance on the responsible sourcing of materials used in manufacturing. Some minerals including 3TG (tin, tungsten, tantalum and gold) are necessary for the proper functioning of components within its products. The Company largely does not directly import minerals, but these minerals are found in certain products the Company procures. In that context, the Company requires all suppliers to comply with applicable laws and regulations on conflict minerals, including any 3TG conflict minerals. In 2019, the Company released a Responsible Mineral Policy, which details its engagement to improve safety and human rights conditions in the mineral supply chains. As described in the section *Work with External Stakeholders* hereafter, the Company benefits from the Responsible Mineral Initiative ("**RMI**") experience and available audits, tools and standardised ways of working.

For the small portion of direct procurement of parts containing minerals in the Company's Defence and Space Division, a dedicated Conflict Mineral Management System has been established. For this small portion of direct import, the Defence and Space Division is proactively asking suppliers to disclose proof of responsible sourcing and is cross-checking this data with third parties' audits available through the RMI trade association. In 2022, the Company's Defence and Space Division imported articles made of tungsten of the relevant Taric code above regulatory binding threshold; those articles are used as counterweight for aircraft. The Company's Defence and Space Division forecasted this import and performed relevant due diligence for the unique supplier supplying the material involved. The supplier was informed that the Company's Defence and Space Division is expecting responsible sourcing for the tungsten purchased under this contract. The supplier demonstrated that this material was exclusively originating from responsible sources.

This claim of responsible sourcing is based on third party audits of the smelters involved to deliver the products. The Company reviewed this claim and recognised that the audits were part of the RMI scheme and that smelters involved in the supply chain of the tungsten concerned metals conformed to RMI standards.

The Company is also monitoring developments from the European Commission on critical raw materials (CRM) and is investigating the possibilities to take a deeper look at its related supply chain, through direct involvement and/or trade associations. The Supplier Code of Conduct formally requires suppliers to establish a policy and a management system to ensure that critical raw materials are sourced responsibly.

3. Engagement and Awareness

Contractual Requirements

The Company's standard procurement contract templates have evolved over the last few years to reinforce clauses relating to sustainability and environment which require suppliers to:

– comply with all applicable laws and regulations dealing with labour and employment, health and safety, environment, anti-corruption and bribery and personal data protection in relation to production, products and services;
– provide information on substances used in manufacturing processes and contained in the product itself (covering both hazardous substances and conflict minerals);
– 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;
– commit to apply and cascade in its supply chain the principles of the Company's Supplier Code of Conduct, including with regard to environment, human rights, labour practices, responsible sourcing of minerals and anti-corruption;
– comply with the Company's sustainability requirements such as maturity assessment by an external expert company and completion of a questionnaire during the call-for-tender phase.

The Company's contractual requirements enable assessment of levels of suppliers' compliance.

Processes

In 2021, the SSCR Steering Committee agreed to anchor sustainability requirements into procurement processes of the Company. In 2022, the Company introduced sustainability in its supplier selection process. Sustainability is now one of the selection criteria in a call for tender. Suppliers are requested to fill in a sustainability questionnaire based on their governance and on the specific performance of the product or service the Company intends to source. The questionnaire notably requests information on certifications (*e.g.* environment, health and safety) and processes, as well as on resources used and on the impact of processes related to product manufacturing or service delivery.

This also includes the agreement from suppliers to regularly fulfil the evidence-based assessment on sustainability (see section *Assessment* above) and for the most important suppliers – based in part on annual spend with the Company – to be transparent on their climate change strategies (see section 5. "CO_2 emissions" below). This will ultimately require suppliers to cooperate when a sustainability risk is identified, including with further analysis into the supplier's supply chain (see paragraph *Contractual requirements* above).

Supplier Award and Dialogue

The Company is fostering suppliers' engagement through direct dialogue and values the commitment, contribution and efforts of its supply chain to improve on sustainability topics.

In 2022, the Company launched the first Airbus Supplier Sustainability Council establishing a framework to step-up collaboration within its supply chain on sustainability and fostering a new model of engagement with suppliers. The target is to launch concrete improvement initiatives co-led by representatives of the Company and of members of the council. The council will focus on areas such as decarbonisation, transparency and engagement acting as key enablers to accelerate specific initiatives from industry bodies such as IAEG and to share best practices across the full supply base.

Sustainability is a standard agenda item in regular reviews or conferences with suppliers, including the Annual Supplier Conference for the Company's commercial aircraft business, the Defence and Space Division supplier conference or the Suppliers' councils. During these events, workshops take place to enable exchange on best practices and future collaboration.

The Company continues to give awards to its suppliers contributing positively to sustainability. In 2022, SABCA was awarded by the Company's commercial aircraft business for its 5-year plan to cut CO_2 emissions at its site by installing wind turbines, solar panels and optimising transportation of

its employees and logistic flows. For the second time, Hexcel Composite was also presented with an award for its sustainability efforts and its innovation in composite recycling during the Defence and Space Division Supplier Awards.

Training & Awareness

Trainings & Competences

The Company's Procurement Academy defines jobs, competences, skills, and associated training to ensure procurement employees in all Divisions are ready to face current and future challenges. In 2022:

– the Sustainability Fundamentals competence was added to all procurement jobs to ensure generic understanding of sustainability principles;
– a new job "Procurement Sustainability Officer" was created for people in the organisation who are dedicated to sustainability in the supply chain;
– a new competence "Sustainability Concern Management" was defined to develop the ability to identify situations where sustainability is at stake in all its dimensions (*e.g.* Human Rights, Environment, Health & Safety), as well as to define measures to comply with Company's Supplier Code of Conduct. This competence is part of the Procurement Sustainability Officer job and will be added to buyer and Supply Chain Quality Management (SCQM) jobs when relevant.

To support people upskilling, on top of existing Company training courses on sustainability, the Company's Procurement organisation developed an awareness of the contractual environmental clause with pilots in 2022, as well as a specific training on human rights with pilots in 2022. This awareness and human rights training will be deployed from 2023, giving priority to buyers and quality and supply chain managers in charge of risky suppliers.

Additionally, sustainability modules are embedded in Procurement's newcomer induction path and Procurement Manager Development Programme (development programme for future leaders in the Procurement function).

Communication

During 2022, the Company has continued to implement its communication plan to raise awareness on the different pillars of its sustainability ambition amongst its employees, suppliers, and customers. In particular:

– awareness sessions have been carried out in relation to the initiatives of the supply chain roadmap: for instance accompanying the deployment of the new sustainability questionnaire in calls for tender, or developing the ability of procurement operation teams to identify sustainability issues when visiting suppliers on-site;
– communication activities in 2022 spread the key messages about the importance of sustainability. Internally, for instance, there was a presentation of the SSCR progress during the procurement annual roadshow, and a SSCR "marketplace" during the annual sustainability town hall. Externally, the Company's CPO participated in the IAEG sponsor meeting about supplier assessment and development, as well as the Bundesverband für Materialwirtschaft, Einkaufe & Logistik ("BME") conference in Berlin;
– the toolkit presenting sustainability in the supply chain, deployed in 2021, targeting internal and external population, is regularly updated;

– different additional communication means are being used such as: posters, kakemonos, a dedicated intranet website, participation in internal events promoting sustainability initiatives.

Gemba walk

In 2019, the Company introduced Supplier Factory Visits called "the Gemba Walk" pocketbook, applicable to commercial aircraft activities, which is a practical and visual guide for the Company's employees when visiting the shop floor of a supplier, supporting the identification and reporting of risks or improvement opportunities observed during factory visits.

Work With External Stakeholders

The Company is a founding member of IAEG, which is working on common aerospace industry standards and tools to manage environmental obligations. More specifically, for the supply chain, IAEG has developed:

– a supply chain environmental survey, which the Company implemented in 2019 and which will be used as environmental assessment module, as mentioned in the section "Assessment" above;
– an EMS implementation guideline to encourage a wider uptake of EMSs as appropriate for each supplier in a phased approach and cost effective, consistent and supportive manner;
– the definition of an Environmental Qualification Program to assess and develop the environmental maturity of suppliers.

Under Company's leadership, the IAEG (initially focused on environment) extended its scope of actions to environmental, social and governance topics. In 2022, and co-led by the Company, a contract has been established between IAEG and the selected service provider to build a sectoral approach for supplier engagement and 2023 will be the year of deployment.

As a co-founder of the International Forum on Business Ethical Conduct ("IFBEC"), the Company is supporting the application of global standards for business ethics and compliance. IFBEC members have established a Model Supplier Code of Conduct which expresses the minimum ethical standards to be applied by suppliers throughout the aerospace and defence industries. It also encourages suppliers to go beyond legal compliance, drawing upon internationally recognised standards in order to advance in social and environmental responsibility and business ethics.

All suppliers are now being asked to sign a confirmation of compliance with the principles of the latest version of the Supplier Code of Conduct (or to confirm their own practices are aligned with the principles set out in this Code), and to cascade these principles throughout their own supply chains. The Company is committed to support suppliers, where necessary, to improve their own human rights due diligence.

In 2019, the Company joined the Responsible Business Alliance's 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. In 2022, it decided to extend its membership to the whole Responsible Business Alliance ("RBA") initiative.

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4. Other Initiatives

Promoting Disability-Friendly Companies

Since 2011, the Company has been promoting employment of disabled people by its suppliers starting with a particular focus on France. Disability-friendly companies often take part in the call for tender process either through direct offer or partnership. The procurement volume with disability-friendly companies has been multiplied by five over the decade going along with the development of the disability-friendly companies' ecosystem.

In 2020 and 2021, the Company's global volume of business was drastically reduced by the pandemic impacts. It has also resulted in a significant reduction of the volume with disability-friendly companies. In 2022, the volume with disability-friendly companies is back to pre-pandemic levels: more than €50 million of annual turnover which represents a 20% increase compared to 2021. Around 60 disability-friendly companies are working with the Company to date.

The Company's ambition is now to reach €100 million annual turnover with disability-friendly companies in 2025. The Company will continue to develop business with the disability-friendly companies through direct contracting or partnerships, primarily in France and also in Spain and Germany. In addition, the Company is actively developing inclusion awareness. For instance, in October 2022, the Company organised a (Dis) Ability forum in Toulouse with 45 disability friendly companies and 250 participants. The Company also decided in 2021 to be the sponsor of the Digital Consortium, created by the UNEA (Union Nationale des Entreprises Adaptées) and composed of 80 French disability-friendly companies. The first contracts with this consortium were about to be signed at the time of publication of this report.

Plastic-Free Supply Chain

Based on the UN SDGs, specifically SDG 12 (responsible consumption and production), a plastic-free supply chain project was launched in 2019 within the Company's Defence and Space Division with the aim of reducing, reusing and recycling single-use plastic waste and packaging in the Division's scope of involvement by 2025. The Division achieved a single-use plastic reduction of 24.5% in the logistics area at all sites in 2022 *versus* a 2020 baseline. This achievement has been possible through different actions: implementation of plastic-free packaging alternatives, improved plastic-reduced processes, introduction of the packaging clause in the Airbus Supplier Code of Conduct

and in the Division's contractual Environmental Annex, and an increased awareness on plastic consumption and waste among employees. The target is to progressively move to a more circular approach to the use of plastic.

5. CO_2 emissions – see "– 1.2.2 Climate Change" / IV. Transition plan / Supplier engagement, "– 1.2.17 ESG Data Board".

V. Outlook

The SSCR is constantly evolving to actively endeavour to mitigate sustainability risks in the supply chain, adapt to progressing sustainability requirements and support the Company's ambition to be more sustainable.

The SSCR is building up on its installed initiatives to deploy them. The SSCR is as well continuously enlarging its impact. In 2023, notably this includes:

– reinforcing the risk identification and risk assessment of the Company's supply chain due diligence plan with enlarged targets;
– continuing to ensure the adherence of the Company's Supplier Code of Conduct principles throughout the Company's supply base;
– extending the scope of supplier sustainability assessments by requesting new suppliers to perform such an assessment and by extending to existing contracts in order to reach 80% of the spend volume in 2025;
– engaging with suppliers based on the assessment outcomes and developing action plans when required;
– becoming a member of the RBA;
– for the calculation of the Scope 3 Purchased goods and services category, the Company has engaged in some work to launch a transition from a spend based methodology to a hybrid (*i.e.* spend based mixed with mass based) methodology. The target is to be able to start reporting on hybrid approach in 2024 on 2023 data; and
– developing the collaboration within the supply chain in the frame of the Airbus Supplier Sustainability Council through concrete activities notably on decarbonisation and transparency ambitions and roadmaps.

To support people upskilling, on top of existing Company trainings on sustainability, the Company's Procurement is developing an awareness on the contractual Environmental Clause with pilots in 2022 for a 2023 deployment, and a specific training on Human Rights with pilots in 2022 for a 2023 deployment.

1.2.16 Community Impact

I. Introduction

The Company takes global collective action to support communities with a focus on the most vulnerable, the environment, and young people throughout the world where the Company operates. Products, services and employees are mobilised with focus on equitable and measurable solutions, in line with the Company Purpose.

Community Impact	GRI	SDGs	
	413 Local communities	All 17 SDGs with a focus on 1,2,3,4,5,13, 14, 15 and 17	
Highest governance body(ies) involved	Board of Directors / ECSC Airbus Foundation Board of Directors Airbus Foundation Endowment Fund Board of Directors		
Related Corporate Reference Documents	A42 Community Impact Policy A1133 Directive on Sponsorships, Corporate Donations & Corporate Membership The bylaws of the Airbus Corporate Foundation and the Airbus Foundation Endowment Fund		

Key metrics	2021	2022
Number of Sustainability Ambassadors	207	448
% of employees onboarded to the +impact platform	0	4%
Additional resources	Community impact on Airbus.com↘, Airbus Foundation on Airbus.com, including its annual reports↘	

II. Governance

The Sustainability – Develop & Engage department manages the global strategy and framework for community impact in the Company and supports the operations of the Airbus Foundation. A global network of community impact focal points representing the major markets where the Company operates has been established, as well as a committee of specific topic experts who provide guidance, assessment and recommendations according to the Community impact priority themes.

Community Impact has been integrated into the business at policy, directive and operational levels with a formalised assessment and decision process now in place for corporate donation requests submitted by business lines. Awareness and adoption of the policy is supported by the Sustainability Networks, including the Sustainability Ambassador network which grew by 116% in 2022. In addition, there are standard reporting lines to the Sustainability & Environment organisation with top level oversight provided by the ECSC at the Company's Board of Director level.

The Airbus Foundation and Airbus Foundation Endowment Funds are registered as non-profit entities of general interest under French law, with specific Articles of Association that define their respective mission and remit. Their strategy and operations are led by the managing director and each entity has formal governance with its own board of directors comprised of membership from across the founding companies, employee representatives and external experts. The Airbus Foundation and Airbus Foundation Endowment Fund annual reports and accounts are submitted annually to the French authorities.

III. Implementation/Activities

2022 focused on strengthening the Company's collective approach to community impact, bringing together the various business, non-profit, and employee engagement channels under a collective mission with integrated processes and tools to support the deployment across the business. Having a consolidated, focused strategy proved vital during a year which saw a compound of societal challenges – communities continued to cope with or recover from the COVID-19 pandemic; climate related disasters; and conflict. All of which not only generated an immediate emergency response need, but also the longer-term impact on the global economy.

During 2022, as part of the development of the Airbus Community Impact policy, the Community Impact network implemented 22 pilot projects across 15 countries to test the new strategy and inform the future impact measurement methodology. In November, the Company in cooperation with the Airbus Foundation, also launched the +impact digital platform globally across the Company, providing employees with a dedicated online space to learn about the new policy and partnerships, create and coordinate volunteering opportunities, fundraise, donate and take positive action on sustainability topics.

Supporting Vulnerable Communities

During 2022, the Company continued to focus on supporting vulnerable communities through disaster response, innovation or fundraising to tackle topics such as poverty, hunger and access to essential services.

In addition to the COVID-19 and Ukraine response, partnerships were developed in several regions to support vulnerable community needs. In Asia Pacific, the Company partnered with the Manila Water Foundation to install a clean water station in a school located in a remote province in the Philippines that previously lacked access to a safe water supply. In Latin America, the Company partnered with TECHO, a non-profit organisation that mobilises youth volunteers to fight extreme poverty, to construct transitional housing and implement social inclusion programmes. This partnership resulted in the construction of four homes for four vulnerable families in Santiago de Chile, Mexico City and Sao Paulo, with the participation of Company employees. These homes were built following full consultation

with the families and wider communities as well as assessment of the broader ecosystem to ensure that a network of support exists for the longer term.

Company employees also worked together to show their support for vulnerable communities. In the US, employees from all divisions participated in the Make a Difference fundraising initiative in aid of World Central Kitchen. In Spain, a group of volunteers prepared humanitarian kits for the Spanish Red Cross; and across our sites, employees rallied to fundraise and collect goods for organisations supporting the immediate needs of Ukrainian refugees. For the second year running, the Airbus Foundation also participated in the Action Against Hunger global wellbeing challenge, Connected Against Hunger, with nearly 1,800 Company employees participants.

The Airbus Foundation continued to support its partners in disaster response by coordinating relief and goodwill flights carrying more than 138 tons of aid to Madagascar, Moldova, Poland, Pakistan, and Ethiopia. Aid transported included emergency shelter, medical and hygiene supplies, food and kitchen equipment. Additionally, 209 helicopter flight hours were chartered to Kenya, Madagascar, Philippines and the Democratic Republic of Congo to respond to flooding, malnutrition and displacement of populations. The Foundation also responded to 75 satellite imagery requests from partners representing around 21,700km^2 for disaster assessment and response plans, to monitor displacement and flooding, and plan medical activities in Yemen, Chad, Iraq and Sudan amongst others.

In Kenya, the ongoing project to install innovative water units in under-served locations reached a new level of maturity with the upgrade of four existing units and installation of three new units. To date, 8,350 students have been given access to safe water and educated on good hygiene practices. The communities around these seven schools in Mukuru are also benefiting from the safe drinking water.

In addition, bespoke satellite imagery training was provided to several humanitarian partners to increase their capacity in satellite imagery analysis and interpretation, as well as leadership training *via* the Airbus Leadership University. *Via* its partner, the French Foundation of the Academy of Medicine, the Foundation helped deliver Helicopter Emergency Medical Services (HEMS). A total of 300 medical personnel in Thailand and Mexico were upskilled in emergency and disaster medicine techniques.

Supporting the Future Generation

It is crucial that the Company inspires and engages young people, particularly by playing an active role in fostering inclusion, diversity and community values at an early age. Across its Community Impact channels, the Company collectively reached over 23,000 young people directly through mentorship, education initiatives and workshops during 2022.

Corporate partnerships and STEM outreach programmes focused on using the expertise and knowledge of Company employees to inspire interest in science, technology, engineering and mathematics (STEM) and engaged more than 8,700 young people from underserved communities to develop their awareness and confidence to make decisions about their future education and career choices.

In the Asia Pacific region, five youth projects were developed in collaboration with partners including local and national ministries, non-profit organisations, and public sector structures. For example, in Indonesia, the Company worked with the Ministry of Education to reach 120 students from rural schools to run workshops with Company volunteers on STEM and STEM careers. In the Philippines, the Company partnered with MoveEd, an organisation which provides early childhood care and development programmes for children aged 3-6 years, to increase access to formal and informal education opportunities, also working with the families to raise awareness about the long-term value of education. In China, the FUTURE by the Company project partnered with the Civil Aviation Museum in Beijing to boost quality education access. Following a series of workshops hosted by Company's volunteers, the Company and the museum established an education base in the museum for future cooperation.

The Airbus Foundation enriched its Airbus Foundation Discovery Space content with 19 new videos and booklets to practice experiments at home or in the classroom. The content explains some of the science behind aerospace, including sustainability and girls in science topics. The Foundation's partnerships for its youth programmes span 17 locations in Europe, Africa, the Middle East, Asia, and the Americas. Working with local partners, each programme was built on specific local needs. During 2022, over 250 Company volunteers participated, and the programmes directly reached around 9,000 young students, with a specific attention given to gender balance and underserved communities, also including a pilot project for children living in a refugee camp. The fourth edition of the Moon Camp Challenge built on the success of prior years with 2,597 projects submitted from 53 countries by over 5,600 students supported by nearly 600 teachers.

Protecting the Future of Our Planet

During 2022, the community impact pilot projects focused primarily on employee awareness and action to preserve and restore local biodiversity. For example, in the UK and India, the Company partnered with local non-profit organisations to restore three water bodies which had fallen into disrepair and neglect. In India, educational sessions were also carried out with surrounding communities to increase awareness about the ecological importance of the water bodies, avoiding using them to dispose of waste, and engaging the communities in the longer-term maintenance and protection.

Through an innovation project driven by employee volunteers, the Company cooperated with two universities (Toulouse and Colombia) and a local non-profit organisation to bring renewable energy to off-grid households in Peru and Colombia. Situated in the highlands of Peru, one of the affected communities includes 40 households, nine of which lack access to electricity. The Company supported the placement of two students who dedicated their first month to build two domestic wind turbines and install them for two households plus complete the associated knowledge transfer to enable the families to maintain them. One of the families makes and sells bread to surrounding communities – thanks to the wind turbine, they are able to increase their production as well as reduce their expenditure on expensive batteries and generator fuel. In Colombia, a third wind turbine was installed for a rural school with around 30 children. The school now has a stable and clean source of electricity and has been connected to the internet which is enabling access to quality education materials as well as refrigeration to store food for the children.

The Airbus Foundation continued to develop its environment partnerships, focusing on climate change mitigation and monitoring, climate change adaptation and disaster prevention and protecting biodiversity. This included continuing the collaboration with Connected Conservation Foundation to support the preservation of wildlife and natural ecosystems in South Africa and Kenya through the use of satellite imagery. The Airbus Foundation also completed the first phase of its three-year project with IUCN, providing technical data, satellite images and project management to contribute to the validation of IUCN's forest restoration barometer. Project objectives are to assess tree canopy changes over a temporal range, characterisation of tree canopy changes and assessment of the sufficiency of restoration activity.

IV. Outlook

In addition to enhancing the methods to capture and measure impact, the Company intends to study and progress on opportunities for integrating community impact into business operations. One example is social procurement where companies can use their purchasing power to create sustainable social value through procuring from social benefit suppliers.

The Airbus Foundation is currently reviewing its global portfolio of activities for improvement and development. Near-term plans involve developing the product portfolio to be offered to partners, initiating Youth programmes in 10 additional locations, including Tunisia and Morocco, and formalising a new environmental partnership.

1.2.17 ESG Data Board

Environmental Performance

	GRI	KPI	Unit	**2022**	2021	2020	2019	2018
		Total energy consumption (excl. electricity generated by CHP on site for own use) ☑	GWh	3,717	3,762	3,815	4,624	4,679
		Energy intensity (per Total Revenues) ☑	*GWh/bEUR*	*62.4*	*71.2*	*75.8*	*64.3*	*-*
		Energy consumption from stationary sources and electricity ☑	GWh	2,594	2,717	2,672	2,987	3,062
		Energy consumption from stationary sources ☑	GWh	1,190	1,351	1,274	1,391	1,403
		natural gas	GWh	1,108	1,307	1,235	1,347	1,366
		of which bio-methane	GWh	23	11	0	0	0
		heat generated from biomass	GWh	37	25	24	27	17
		other fuels	GWh	44	19	16	17	20
		Energy consumption from electricity, heat and steam ☑	GWh	1,404	1,366	1,397	1,595	1,659
		purchased electricity (incl. renewable or low carbon sources from grid)	GWh	1,280	1,232	1,274	1,460	1,472
Energy	EN3	of which purchased electricity with REC/GoO*	GWh	534	416	251	163	0
	EN4	purchased electricity from renewable sources PPA*	GWh	0.1	0.0	0.0	0.0	0.0
		self-generated electricity from renewable sources	GWh	1.2	0.8	0.9	0.2	0.2
		percentage renewable electricity	*%*	*41.8%*	*33.8%*	*19.8%*	*11.2%*	*0.0%*
		heat and steam	GWh	123	133	123	135	187
		Energy consumption from mobile sources ☑	GWh	1,123	1,045	1,144	1,638	1,617
		kerosene	GWh	711	681	711	1,061	1,068
		of which sustainable aviation fuel	GWh	22	4	1	0	0
		of which used in Beluga Transport	GWh	330	298	290	421	413
		of which used in flight test	GWh	381	382	421	640	654
		road & maritime fuel used in Oversize Surface Transportation	GWh	365	335	405	540	509
		Energy consumption from renewable or low-carbon sources ☑	GWh	619	456	277	191	18
		Percentage energy from renewable or low-carbon sources	*%*	*16.6%*	*12.1%*	*7.3%*	*4.1%*	*0.4%*

☑ : 2022 data verified by EY®, based on limited assurance.

	GRI	KPI	Unit	**2022**	2021	2020	2019	2018
Air emissions		Total Scope 1 + Scope 2 CO_2 emissions (location based) ☑	ktons CO_2e	857	889	935	1,139	1,163
		Total Scope 1 + Scope 2 CO_2 emissions "market-based" (location based net of REC)*	ktons CO_2e	762	809	880	1,104	1,162
	EN15	*Scope 1&2 GHG intensity (per Total Revenues)* ☑	*gCO_2e/EUR*	*14.4*	*16.8*	*18.6*	*15.8*	*-*
Scope 1 & 2	EN16	Total Scope 1 GHG emissions [1] ☑	ktons CO_2e	555	570	585	744	739
	EN18	of which from flight test	ktons CO_2e	98	99	108	165	169
		Total Scope 2 GHG emissions – location based ☑	ktons CO_2e	302	319	350	395	424
		Total Scope 2 GHG emissions – "market-based" (location based net of REC) ☑	ktons CO_2e	207	240	295	360	424
		Indirect GHG emissions – Category 11 – Use of Sold Products:*						
		Commercial aircraft IEA-SDS SAF uptake* ☑	ktons CO_2e	425,454	400,611	383,266	650,366	623,215
		GHG efficiency for delivered commercial aircraft (as per SBTi-validated target)* ☑	gCO_2/pax. km	64.4	66.3	67.7	72.2	75.9
Scope 3	EN17	*Commercial aircraft – ("no SAF" scenario)** ☑	*ktons CO_2e*	*494,893*	*458,738*	*432,245*	*723,110*	*683,774*
	EN18	*GHG efficiency for delivered commercial aircraft ("no SAF" scenario)** ☑	*gCO_2/pax. km*	*74.9*	*75.9*	*76.4*	*80.3*	*83.3*
		Other products* ☑	ktons CO_2e	10,703	9,343	NA	NA	NA
		Indirect GHG emissions – Category 1 – Purchased Goods and Services* ☑	ktons CO_2e	NA	8,439	9,940	NA	NA
		Indirect GHG emissions – Category 6 – Business Travel* ☑	ktons CO_2e	47	17	22	109	112
VOC	EN20	Total VOC emissions* ☑	tons	1,120	1,042	1,048	1,462	1,518
SO$_x$		Total SO_x emissions	tons	16	14	13	14	15
NO$_x$		Total NO_x emissions	tons	207	226	210	234	217
Other Information		Internal Carbon Pricing	EUR/ton	150	150	30	30	-
		CDP Rating (based on previous year disclosure)	Score	A-	A-	A-	B	-
Water	EN8	Total water withdrawal (note: formerly reported as "consumption") ☑	m³	3,672,217	3,345,261	3,681,009	4,529,665	4,186,553
		of which percentage purchased	%	79%	79%	78%	80%	79%
		of which percentage from surface water sources and collected rainwater	%	4%	5%	5%	4%	5%
		of which percentage from ground water sources	%	16%	16%	17%	15%	16%
		of which percentage from all areas with high water stress*	%	30%	34%	34%	35%	33%
	EN22	Total water discharge	m³	2,956,333	2,887,442	3,097,733	3,728,505	3,335,213
Waste	EN23	Total waste production, excluding exceptional waste ☑	tons	73,751	71,152	74,898	99,042	100,389
		of which percentage hazardous waste*	%	25%	26%	29%	27%	28%
		Material recovery rate* ☑	%	60%	55%	51%	54%	57%
		Energy recovery rate	%	16%	20%	21%	21%	20%
		Landfill and incineration without energy recovery rate	%	23%	25%	28%	25%	23%
EMS certification		Percentage of operations with ISO 14001 / EMAS certification *(in % workforce)*	%	88%	88%	88%	87%	
		Percentage of operations covered by reporting *(in % workforce)*	%	92%	92%	92%	92%	

☑ : 2022 data verified by EY®, based on limited assurance.

Scope of reporting: Reported data covers **84 sites**. Company's environmental reporting guidelines include sites worldwide with a workforce on-site higher or equal to 100 employees. Note that only 100% consolidated entities are taken into account with the exception of ATR and Tianjin operations. 2018-2021 figures were refined to rectify actuals for some entities.

2021 restatements: some 2021 figures were restated to reflect changes in reporting perimeter and to integrate information received post-closing 2021.

* **Methodology and assumptions:**

Energy – Purchased electricity from renewable sources: Power Purchase Agreements ("**PPA**") – it is a contract under which a legal entity agrees to purchase renewable electricity directly from an electricity producer. For the Company this means purchase of electricity from predefined renewable production facilities and/or purchase of electricity from renewable electricity generation facilities that can be built near to a Company site and that is connected to the site *via* and the direct wire.

Energy – Purchased electricity from renewable sources REC/GoO: Renewable Electricity Certificates ("**REC**") or Guarantees of Origin ("**GoO**") – is an energy certificate representing 1MWh which has the sole function of providing evidence to a final customer that a given share or quantity of energy was produced from renewable sources. For the Company, this represents the electricity bought from the grid with energy certificates evidencing that a given share or quantity of energy was produced from renewable sources.

Air Emissions – Scope 1 & 2 – SAF emissions were computed according to the formula set by the ICAO.

Air Emissions – Scope 1 & 2 – "market-based" (location based net of REC): location based with purchased guarantees of origin deduced. The Company is working towards improving data collection and market-based methodology implementation. Meanwhile, this metric is used by the Company to measure its progress towards its 2030 target, in order to be able to take into account the contribution of its electricity sourcing on its industrial decarbonisation target. However, this refining of methodology is expected to trigger restatements in the coming years, including of the 2015 baseline.

Air Emissions – Scope 3 – *Use of sold products*. The main contribution of the Company's value chain on climate change comes from the use of sold products, especially related to its commercial aircraft activities. In order to provide the level of transparency, the Company reports in-use emissions of the products it delivers (Scope 3 – Use of sold products). This started in 2020 with the disclosure of emissions from commercial aircraft products, and was extended to other products in 2021, namely civil helicopters initially and further complemented by military aircraft and helicopters in 2022. The Company will continue to progressively extend the scope of reporting to other families of products, for which the calculation methodologies are still under development. Nevertheless, current results and advanced estimations have shown that the vast majority (over 90%) of the Scope 3 – Use of Sold Product impact of the Company's products is due to the commercial aircraft family of products, and that this situation is unlikely to change once all the product families will have been assessed.

Additional methodology information:
– the Company's emission calculation methodology was developed by a team consisting of key personnel from the engineering and environment departments and is aligned with the guidance provided by the Greenhouse Gas Protocol. The external auditor performed a review of the calculation methodology applied by the Company and assessed the reasonableness of the supporting assumptions;
– the Company has used a number of assumptions based on internal and external information including assumptions based on publicly-available data.
  – For all products:
    – the estimation includes CO_2 emissions only. Emissions related to CH4 and N2O were excluded given the very low levels produced by modern aircraft engines. Emissions related to NO_x were estimated and excluded given the uncertainty related to the NO_x emission factors and the relatively low contribution of this emission stream,
    – CO_2 emission factors for kerosene are the ICAO internationally recognised lifecycle emission factor to be used for baseline fossil jet fuels (3.846kg CO_2e per kg of fuel for fossil Jet-A / Jet-A1). This factor represents a "well to wake" life cycle analysis to assess the overall GHG impacts of a fuel including each stage of its production and use.
  – For commercial aircraft: assumptions include the aircraft load factor, aircraft operational usage and average in-service lifetime. Primary data collected within the Company was also used, such as aircraft performance and configuration parameters. Emissions related to commercial aircraft engine start and taxing have been included, however, emissions from the APU and ground handling equipment have been excluded. For the purpose of this calculation, the Company integrated into commercial aircraft Scope 3 the likely usage of SAF over the product lifetime, as per the IEA-SDS assumptions. Other operating conditions of the aircraft were considered to be static over the whole service life. In addition, the Company reports for reference an indicative figure based on a zero SAF usage. A330-200 deliveries destined to A330-MRTT conversion were excluded from the commercial aircraft perimeter and included in the military aircraft perimeter as part of the "other products" category.
  – For other products:
    – Helicopters: assumptions include activity data from Company's customer services of helicopter operations such as flight hours per year and region where the helicopter is operated. Direct emissions and indirect emissions from jet fuel production are included over the product's entire service life. Impact of SAF is not considered,
    – Military aircraft: flight hours and mission profiles vary significantly depending on conflicts and humanitarian crises. The estimation assumes the largest number of flight hours each aircraft has been designed for in its lifetime. Impact of SAF is not considered.

Air Emissions – Scope 3 GHG efficiency for delivered commercial aircraft *(as per SBTi-validated target).* In 2022, the Company updated the definition and methodology of its efficiency metrics in order to align with the SBTi methodology and leading to a restatement of past years. Namely, the evolution can be explained by changes in the following two assumptions: the integration in the emissions related to the upstream fuel production and the consideration of the likely usage of SAF over the product lifetime, as per the IEA-SDS assumption.

Air Emissions – Scope 3 Purchased Goods and Services. This evaluation was performed using a dedicated tool developed by the International Aerospace Environmental Group (IAEG) offering a choice between two approaches: a "spend based" approach, allocating emissions to each amount spent in specific commodities and a "mass based" approach, allocating emissions to quantities of materials purchased. For this first evaluation, the Company has used the "spend based" approach. While this method embeds a certain degree of uncertainty, considered high by the IAEG on a certain number of emissions factors used in the methodology, it provides a relevant view of the sources of GHG emissions in the Company's supply chain and enables comparison of the various Company's scopes throughout its value chain. The calculation will be refined in future years as better quality data becomes available. In 2022, the Company improved the accuracy of some spent-based assumptions leading to a restatement of 2020 figures. In addition, the use average emission factors decreased from 6% of spent in 2020 to 2.5% in 2021 thanks to refined data allocation. Adjustments can be expected in future disclosures as the Company intends to further refine its computation, especially integrating mass-based information as data becomes available.

Air Emissions – Scope 3 Indirect GHG emissions Business Travel: Worldwide air travels of Europe-based employees.

Air Emissions – VOC: 2022 VOC emissions data is estimated. 2022 actuals will be consolidated in April 2023.

Water – Areas with high water stress: areas identified with high or extremely high water stress. Water stress level as defined per the Aqueduct Water

Risk Atlas (medium scenario for 2030).

Waste – Hazardous waste: waste displays one or more of the hazardous properties listed: "Explosive"; "Oxidising"; "Highly flammable"; "Flammable"; "Irritant"; "Harmful"; "Toxic"; "Carcinogenic"; "Corrosive"; "Infectious"; "Toxic for reproduction"; "Mutagenic"; "Sensitizing"; "Ecotoxic", "Pressurised gas".

Waste – Material recovery: any operation wherein products, components of products, or materials that have become waste are prepared to fulfil a purpose in place of new products, components, or materials that would otherwise have been used for that purpose. 2022 material and energy recovery rates will be refined when final waste treatment information of year-end waste – representing about 9.5% of total – will be provided by waste collector companies. Meanwhile, unavailable information was estimated using 2022 actual breakdown ratios of the 90.5% available data.

Social Performance

WORKFORCE

	2022	2021	2020	2019
Total number of employees ☑	134,267	126,495	131,349	134,931
By business segment ☑				
Commercial aircraft activities	79,134	73,560	78,487	80,985
Airbus Helicopters	20,803	20,126	20,026	20,024
Airbus Defence and Space	34,330	32,809	32,836	33,922
% Part time employees	3.99%	4.34	4.36	4.43
By contract type				
Unlimited	131,307	122,950	128,151	130,591
Limited contract > 3 months	2,960	3,156	3,198	4,340
By geographic area ☑				
France	48,238	45,931	48,231	49,143
Germany	44,898	42,972	45,568	45,638
Spain	12,899	11,881	11,828	12,637
UK	9,858	9,368	9,846	11,109
US	3,751	3,150	2,980	3,151
Canada	4,287	3,788	3,634	3,668
China	762	698	613	653
Other countries	9,574	8,707	8,649	8,932
% of active workforce employees located in Europe	88.6%	89.1		
By nationality in %*				
French	35.0%	35.4		
German	30.7%	31.5		
Spanish	10.7%	10.3		
British	7.4%	7.7		
From other countries	16.2%	15.1		
Total number of nationalities	147	138		
By age ☑				
< 30 years old	13,171	11,120	12,135	13,862
30-50 years old	83,964	79,985	81,709	82,552
> 50 years old	37,132	35,390	37,505	38,517
Newcomers	13,946	5,655	5,463	11,270
Core Divisions	8,231	2,817	2,413	6,643
Subsidiaries	5,715	2,838	3,050	4,627
Leavers *(incl. partial retirement)*	6,428	9,394	7,796	5,842
Core Divisions	3,365	5,632	4,675	2,902
Subsidiaries	3,063	3,762	3,121	2,940
Attrition Rate				
Core Divisions	3.8%	5.9%	4.6%	2.9%
Subsidiaries	7.8%	12.2%	9.4%	8.4%
Total	5.0%	7.4%	5.8%	4.3%

☑: 2022 data verified by EY®, based on limited assurance.

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GENDER DIVERSITY

	2022	2021	2020
% Women in total active workforce ☑	20%	19%	18%
Per category			
Board of Directors	33%	25%	25%
Executive Committee	25%	25%	16%
Senior mgmt – Executives	16%	14%	13%
"Level IV" managers	17%	16%	14%
Newcomers	27%	22%	26%
By geographic area			
France	21.4%	21.2%	20.5%
Germany	16.2%	16.4%	15.3%
Spain	24.0%	22.7%	22.3%
UK	14.0%	12.9%	13.5%
US	22.5%	22.4%	22.4%
Other countries	22.4%	21.0%	20.9%

☑: 2022 data verified by EY®, based on limited assurance.

PEOPLE DEVELOPMENT

	2022	2021	2020
Number of classroom training ☑	116,363	78,984	78,443
Number of digital training ☑	1645816	967,495	752,702
Total training hours ☑	1.7mn	1.2mn	1million
Average training hours per employee	15	11	11
for women	14	9	8
for men	16	11	10
for production employees	19	15	14
for non-production employees	14	10	8
Internal mobilities	11,460	>10,400	>7,000

☑: 2022 data verified by EY®, based on limited assurance.

LABOUR RELATIONS

	2022	2021	2020
Number of meetings with SE-WC	7	12	8
Workforce covered by collective			
bargaining agreements	~80%	~ 80%	

Note: figures are based on the active workforce, *i.e.* the number of permanent and short-term employees, irrespective of their individual working times, and having worked in the last 30 days. The headcount is calculated according to the consolidation quota of the respective companies. The scope for HR structure reporting covers 100% of the Company's total active workforce from consolidated companies. Workforce and breakdowns metrics are figures at year-end. Other metrics cover civil year periods, except for training related metrics with reporting periods going from 1 October to 30 September.

☑: 2022 data verified by EY®, based on limited assurance.

PRODUCT SAFETY

	2022	2021	2020	2019
Fatal accident rate industry-wide Gen4 ☑	0.05	0.03	0.04	0.05
% SMS officers nominated ☑	100%	100%	100%	-
% SMS officers trained ☑	100%	100%	92%	-

☑: 2022 data verified by EY®, based on limited assurance.

CYBER SECURITY

	2022	2021	2020	2019
Number of data breaches reported to data authorities	0	1	1	-
Percentage involving confidential information	-	100%	100%	-
Cyber security awareness training e-learning participation	107,808	67,475	10,328	-
Corporate & IM Cyber Security headcount	437	290	216.5	-

HEALTH & SAFETY

	2022	2021	2020	2019
Lost Time Injury Frequency Rate – excl. Airbus Atlantic and Airbus Aerostructures entities	1.60	3.21	3.81	5.58
Lost Time Injury Frequency Rate – incl. Airbus Atlantic and Airbus Aerostructures entities ☑	2.23	3.29		
Lost Time Injury Frequency Rate – commercial aircraft business	2.25	4.31	5.12	-
Near-miss – commercial aircraft business	28,925	19,305	-	-
Severity rate (FISH scope) ☑	0.046	-	-	-
Health & Safety training hours delivered ☑	286,815	128,795	103,070	148,000
Number of employees who received Health & Safety training ☑	90,490	28,144	37,599	20,900
Number of employees having attended "EH&S Certificate" modules 1 & 2 ☑	2,214	1,309	418	-
Core entities with ISO 45001 or similar certification	~one third	~one third	-	-
% of the company-wide workforce covered	25%	25%	-	-

For definitions, see "– 1.2.9 Health and safety".
☑: 2022 data verified by EY®, based on limited assurance.

HUMAN RIGHTS

	2022	2021	2020	2019
% of investigations completed or in progress – *following reports of concerns linked to human rights, including forced and child labour and other labour rights.*	100%	100%	100%	-
% of sites having undertaken a social assessment – *% of the Company's with over 100 employees, cumulative since 2020, undergoing a social assessment including human and labour rights.*	29	10	6	-
% of findings closed within 18-months (*following social assessments including human and labour rights, carried out on the Company's sites*)	100%	100%	100%	-
Number of participants to human rights trainings (*Cumulative number of participants who have completed e-learning modules on human rights and modern slavery; reporting period: 1 Oct.-30 Sep.*) ☑	6,955	5,789	4,943	-
Number of alerts of human rights concerns (including forced labour and labour rights (received *via* OpenLine and other means) from internal sources or through the Company's supply chain)	28	4	5	-

☑: 2022 data verified by EY®, based on limited assurance.

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BUSINESS INTEGRITY

	2022	2021	2020	2019
Number of employees per appointed Ethics & Compliance Representatives	360	372	390	-
Number of employees per appointed Export Control Point of Contact	236	-	-	-
% of employees (non-Exec) who have completed the E&C training objective	96%	90%	80%	-
Number of E&C e-learning sessions delivered to employees ☑	290,178	284,774	309,682	-
Number of privacy e-learning sessions delivered to employees (Reporting period: from 1 Oct. to 30 Sep.)	3,181	9,327	35,073	-
Investigative requests received during the year	847	-	-	-
of which Compliance-related investigative requests	323	-	-	-
of which HR-related investigative requests	524	-	-	-

☑: 2022 data verified by EY®, based on limited assurance.

SUPPLY CHAIN

	2022	2021	2020	2019
Sourcing volume *(in € million)*	~44,000	37,906	40,712	53,400
Number of suppliers	18,000	18,000	21,000	23,000
Split by Division *(in %)*				
Commercial aircraft activities	77%	77%	76%	84%
Airbus Helicopters	9%	8%	8%	6%
Airbus Defence and Space	14%	15%	15%	10%
Split by region				
European Union	69%	74%	74%	59%
North America	24%	19%	19%	27%
Asia pacific	6%	6%	6%	8%
Other regions	<1%	<1%	<1%	6%
Number of countries	90	90	88	>100
Percentage of sourcing volume covered by supplier commitment to the Supplier Code of Conduct	86%	79%	NA	-
Percentage of sourcing volume of suppliers invited to CDP who have responded	78%	68%	56%	-
Percentage of responding suppliers to the CDP scoring A or B	66%	53%	56%	-
Percentage of identified high risk suppliers, who have undergone a sustainability assessment ☑	99.5%	95%	63%	-
Percentage of assessed suppliers not meeting Company's sustainability expectations	16%	13%	12%	-
Percentage of action plans defined for suppliers not meeting Company's sustainability expectations	31%	15%	NA	-
Number of sustainability alerts	44	12	5	-
Number of suppliers registered into Digitalisation of Supplier Substance data collection tool	298	-	-	-

Note: Metrics cover civil year periods, except for training related metrics with reporting periods going from 1 October to 30 September.
☑: 2022 data verified by EY®, based on limited assurance.

COMMUNITY IMPACT

	2022	2021	2020
Number of Sustainability Ambassadors	448	207	-
% of employees onboarded to the +impact platform	4%		

Governance

BOARD OF DIRECTORS

	2022	2021	2020	2019
Number of independent directors	11	11	11	11
Number of Executive Directors	1	1	1	1
Number of women	4	3	3	3
Number of men	8	9	9	9
Average age	60	60	59	59
Number of nationalities	7	7	7	7
Average tenure	4.9	4.5	3.5	4
Number of Board meetings	13	7	13	11
% average attendance	96%	98%	97%	91%
Number of Audit Committee	5	5	5	7
Number of RNGC	5	5	4	7
Number of ECC/ECSC	4	6	4	6

EXECUTIVE COMMITTEE

	2022	2021	2020	2019
Number of women	3	3	2	2
Number of men	9	-	-	-
Executive Committee meetings	4	4	4	4

SHAREHOLDING

	2022	2021	2020	2019
Free Float	74.06%	74.01%	73.97%	73.94%
GZBV (German State)	10.87%	10.90%	10.93%	10.94%
SEPI (Spanish State)	4.10%	4.11%	4.12%	4.13%
SOGEPA (French State)	10.89%	10.92%	10.95%	10.96%

SUSTAINABILITY-LINKED REMUNERATION

	2022	2021	2020
CEO and Executives variable remuneration – common collective component, paid following the end of financial year			
R&S KPI 1	**LTIFR1**	LTIFR1	LTIFR1
Weight	*10%*	*10%*	*20%*
R&S KPI 2	CO_2	CO2	-
Weight	*10%*	*10%*	-

1.2.18 TCFD Correspondence Table

	See Company's report sections	See CDP Climate Change Questionnaire[1] items
Governance		
Describe the board's oversight of climate-related risks and opportunities.	– 1.2.1 the Company's approach to sustainability – 1.2.2 Climate change	C1.1a, C1.1b
Describe management's role in assessing and managing climate-related risks and opportunities		C1.2, C1.2a
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	– Risk Factors – Environment, Human Rights, Health & Safety Risks – 1.2.2 Climate Change – see the "Notes to the IFRS Consolidated Financial Statements" (Note 7: Climate impacts)	C2.3, C2.3a, C2.4, C2.4a
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.		C2.3a, C2.4a, C3.1, C3.3, C3.4
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario		C3.2, C3.2a, C3.2b
Risk management		
Describe the organisation's processes for identifying and assessing climate-related risks.	– 4.1.3 Enterprise Risk Management System – 1.2.1 the Company's approach to sustainability – 1.2.2 Climate change	C2.1, C2.1a, C2.1b, C2.2, C2.2a
Describe the organisation's processes for managing climate-related risks.		C2.1, C2.2
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.		C2.1, C2; 1b, C2.2
Metrics & targets		
Disclosure of the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	– 1.2.2 Climate change – 1.2.17 ESG data board, section Environmental performance / Emissions	C1.3, C1.3a, C4.2, C9.1
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks.		C5, C5.1, C5.1a, C5.1b, C5.1c, C5.2, C5.3, C6.1, C6.2, C6.3, C6.4, C6.5, C6.5a, C6.10, C7.1, C7.1a, C7.2, C7.3, C7.3a, C7.5, C7.6, C7.6a
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.		C4.1, C4.1a, C4.1b, C4.2a

(1) CDP Climate Change Questionnaire is available on Airbus website ⬊ and CDP website ⬊.

1.2.19 EU Taxonomy

The EU Taxonomy is a classification system establishing a list of environmentally sustainable economic activities defined by the EU Taxonomy Regulation [1]. The EU Taxonomy Regulation focuses on six environmental objectives and defines overarching conditions that an economic activity must meet to be considered environmentally sustainable. The EU Taxonomy aims to direct investments towards sustainable projects and activities in order to meet the EU's climate and energy targets for 2030 and reach the objectives of the European Green Deal.

As the Company is obligated to report on non-financial information pursuant to the Non-Financial Reporting Directive, the EU Taxonomy Regulation is also applicable to the Company, and therefore we must disclose information on the extent to which our activities can be considered environmentally sustainable economic activities within the meaning of the EU Taxonomy.

Technical screening criteria for two of the six environmental objectives have been laid down in the Climate Delegated Act [2] which entered into force on 1 January 2022 and the Complementary Climate Delegated Act [3] which entered into force on 1 January 2023. Recommended criteria for the four remaining environmental objectives were published in March 2022 (Annex to the Platform on Sustainable Finance's report with recommendations on technical screening criteria for the four remaining environmental objectives of the EU Taxonomy) and complemented with additional criteria in November 2022 (Platform on Sustainable Finance's report with supplementary advice on methodology and technical screening criteria for the climate and environmental objectives of the EU Taxonomy) ("**Draft Recommendations**"). Aviation related activities have not been included in the Climate Delegated Act and the Complementary Climate Delegated Act, but, based on the Draft Recommendations, aviation is proposed to be included as a

transition activity in the EU Taxonomy, which acknowledges its potential transition to a climate-neutral economy consistent with a pathway to limit the temperature increase to 1.5°C above pre-industrial level.

For the reporting period FY 2021, only qualitative information and information on the proportion of Taxonomy-eligible activities in relation to total activities set out in the Delegated Act had to be disclosed. For the reporting over FY 2022, the Delegated Act applies fully, meaning that the Company has to disclose its alignment to the EU Taxonomy as well. In order to be aligned with the EU Taxonomy, an eligible activity has to i) comply with the Technical Screening criteria (TSC); ii) the Do No Significant Harm (DNSH) criteria; and the company has to fulfil Minimum Safeguards.

EU Taxonomy Assessment Over FY 2022

The Company performed an analysis of its exposure to taxonomy-eligible activities referenced in the Climate Delegated Act and the Complementary Climate Delegated Act and has conducted an assessment of compliance with the relevant TSC, the DNSH-criteria and the Minimum Safeguards. The results of this assessment have been included in the following sections (EU Taxonomy KPIs and EU Taxonomy KPIs accompanying information). The Company has performed these calculations based on consolidated information while it is still working on further improving financial data tagging to enable improved reporting in upcoming disclosures. The Company's assessment will be refined as additional official guidance on EU taxonomy implementation and interpretation becomes available. The main activities carried out by the Company are not yet covered by the EU Taxonomy delegated acts.

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(1) Regulation (EU) 2020/852 of the European Parliament and of the council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

(2) Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

(3) Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

EU TAXONOMY KPIs PROPORTION OF **TURNOVER** FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

Economic activities	Code(s)	Absolute turnover In m€	Proportion of turnover %	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")										
				SC5 %	SC6 %	SC7 %	SC8 %	SC9 %	SC10 %	DN11 Y/N	DN12 Y/N	DN13 Y/N	DN14 Y/N	DN15 Y/N	DN16 Y/N	MS17 Y/N	%Aligned 18 Percent	%Aligned prev. year 19 Percent	Cat20 E	Cat21 T
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
A. TAXONOMY-ELIGIBLE ACTIVITIES			%																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		N/A		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%	N/A		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		N/A		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%															N/A		
Total (A.1 + A.2)		0	0%														0%	N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		58,763	100%																	
Total (A + B)		58,763	100%																	

SC5 – Climate change mitigation
SC6 – Climate change adaptation
SC7 – Water and marine resources
SC8 – Circular economy
SC9 – Pollution
SC10 – Biodiversity and ecosystems

DN11 – Climate change mitigation
DN12 – Climate change adaptation
DN13 – Water and marine resources
DN14 – Circular economy
DN15 – Pollution
DN16 – Biodiversity and ecosystems

MS17 – Minimum safeguards
%Aligned18 – Taxonomy-aligned proportion of turnover
%Aligned prev. year 19 – Taxonomy-aligned proportion of turnover, previous year
Cat20 – Category (enabling activity or)
Cat21 – Category "(transitional activity)"

Column 21 should be filled in for transitional activities contributing to the climate change mitigation. For activities listed under A2, columns 5 to 17 May be filled in on a voluntary basis by non-financial undertakings

EU TAXONOMY KPIs PROPORTION OF **CAPEX** FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	SC5	SC6	SC7	SC8	SC9	SC10	DN11	DN12	DN13	DN14	DN15	DN16	MS17	%Aligned 18	%Aligned prev. year 19	Cat20	Cat21
		In m€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		N/A		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%	N/A		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		N/A		
4.24 Production of heat/cool from bioenergy	D35.30	14	0.6%																	
7.3 Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12	17	0.7%																	
8.1 Data processing, hosting and related activities	J63.11	21	0.8%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		52	2.1%																N/A		
Total (A.1 + A.2)		52	2.1%															0%	N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy-non-eligible activities (B)		2412	97.9%																		
Total (A + B)		2464	100%																		

SC5 – Climate change mitigation	DN11 – Climate change mitigation	MS17 – Minimum safeguards
SC6 – Climate change adaptation	DN12 – Climate change adaptation	%Aligned18 – Taxonomy-aligned proportion of Capex
SC7 – Water and marine resources	DN13 – Water and marine resources	%Aligned prev. year 19 – Taxonomy-aligned proportion of CapEx, previous year
SC8 – Circular economy	DN14 – Circular economy	Cat20 – Category (enabling activity or)
SC9 – Pollution	DN15 – Pollution	Cat21 – Category "(transitional activity)"
SC10 – Biodiversity and ecosystems	DN16 – Biodiversity and ecosystems	

For activities listed under A2, columns 5 to 17 May be filled in on a voluntary basis by non-financial undertakings.

EU TAXONOMY KPIs PROPORTION OF **OPEX** FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Economic activities	Code (s)	Absolute OpEx *In m€*	Proportion of OpEx %	SC5 %	SC6 %	SC7 %	SC8 %	SC9 %	SC10 %	DN11 *Y/N*	DN12 *Y/N*	DN13 *Y/N*	DN14 *Y/N*	DN15 *Y/N*	DN16 *Y/N*	MS17 *Y/N*	%Aligned 18 *Percent*	%Aligned prev. year 19 *Percent*	Cat20 *E*	Cat21 *T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		N/A		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%	N/A		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		N/A		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%															N/A		
Total (A.1 + A.2)		0	0%														0%	N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		3,079	100%																	
Total (A + B)		3,079	100%																	

SC5 – Climate change mitigation
SC6 – Climate change adaptation
SC7 – Water and marine resources
SC8 – Circular economy
SC9 – Pollution
SC10 – Biodiversity and ecosystems

DN11 – Climate change mitigation
DN12 – Climate change adaptation
DN13 – Water and marine resources
DN14 – Circular economy
DN15 – Pollution
DN16 – Biodiversity and ecosystems

MS17 – Minimum safeguards
%Aligned18 – Taxonomy-aligned proportion of Opex
%Aligned prev. year 19 – Taxonomy-aligned proportion of OpEx, previous year
Cat20 – Category (enabling activity or)
Cat21 – Category "(transitional activity)"

(1) Activity 1 is Taxonomy-eligible in its entirety. However, only a proportion of it is Taxonomy-aligned. Therefore, Activity 1 May be reported under both A1 and A2. However, only the proportion reported under A1 May be counted as Taxonomy-aligned in the OpEx KPI of the non-financial undertaking. For activities listed under A2, columns 5 to 17 May be filled in on a voluntary basis by non-financial undertakings.

EU Taxonomy KPIs Accompanying Information

1. Accounting Policy

The Company's EU Taxonomy disclosure covers the following scope: EU Taxonomy-compliant share of turnover, capital expenditure ("CapEx") aligned with the EU Taxonomy and operational expenditure ("OpEx") aligned with the EU Taxonomy of the Company consolidated that, for the purpose of EU Taxonomy disclosure, are split per economic activity according to the Climate Delegated Act and the Complementary Climate Delegated Act of the EU Taxonomy. Please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 4: Significant Accounting Policies".

In the context of EU Taxonomy disclosure, the Company assessed any economic activity that in aggregate exceeds 1% of the total turnover, CapEx or OpEx. The materiality threshold has been set at 1%, as the Company expects economic activities that in aggregate do not exceed 1% of the total turnover, CapEx or OpEx to have no material influence on the reporting. However, should there be availability of data, the Company may choose to disclose such activities.

Turnover, CapEx and OpEx were determined and allocated to the numerator by performing a mapping between the description of activities in the EU Taxonomy and the Company's portfolio of sources of revenues, investments and expenses.

As the EU Taxonomy KPIs are published for the first time in the reporting over FY 2022, prior-year figures are not provided. No material changes to the CapEx plan have occurred in FY 2022. The capital expenditures disclosed under the CapEx KPI are not part of a CapEx Plan meeting the conditions specified under the EU taxonomy regulation.

2. Assessment of Compliance with EU Taxonomy Regulation

Information on Assessment of Compliance with the EU Taxonomy Regulation

The assessment of compliance with the EU Taxonomy Regulation has been carried out in four steps:
- Determination of EU Taxonomy eligibility: screening of the Company's turnover, CapEx and OpEx *versus* the activities described in the currently adopted Climate Delegated Act and Complementary Climate Delegated Act and allocation on the basis of the activity description, resulting in a list of eligible activities.
- Determination of EU Taxonomy alignment with technical screening criteria: for the eligible activities which exceed the materiality threshold of 1%, applicable substantial contribution and do no significant harm criteria have been identified and analysed, gathering the available and relevant information and evidence.
- Determination of EU Taxonomy alignment with the minimum safeguards: following the guidance provided by the Platform on Sustainable Finance in its "Final Report on Minimum Safeguards" published in October 2022 [(1)], and more specifically by analysing the non-compliance criteria proposed in the aforementioned report concerning human rights, taxation, fair competition and corruption & bribery areas at Company level.

This exercise has been conducted by a dedicated team involving experts from different functions and Divisions through a number of interviews and working sessions during the year.

In 2022, Taxonomy eligible activities related to "4.24 Production of heat/cool from bioenergy" and "7.3 Installation, maintenance and repair of energy efficiency equipment", were related to projects aiming to improve energy efficiency and reduce CO_2 emissions that could make a substantial contribution to the *climate change mitigation* objective while eligible activities related to "8.1 Data processing, hosting and related activities" also met activity description. They have been allocated to one taxonomy activity and one environmental objective, avoiding the risk of double counting.

In 2022, the results of the self-assessment of Minimum Safeguards criteria was positive taking into account the non-compliance criteria recommended in the Final Report on Minimum Safeguards.

Contribution to Multiple Objectives

Due to the nature of the projects linked to Taxonomy eligible activities in 2022, substantial contribution has been assessed against the *climate change mitigation* objective only and its relevant criteria.

Disaggregation of KPIs

In 2022, the preparation and disclosure of figures as per Taxonomy requirements did not require any disaggregation.

3. Contextual Information

Contextual Information About Turnover KPI

Turnover KPI has been assessed as not material and therefore reported as 0%.

Contextual Information About CapEx KPI

All CapEx identified as eligible were added to property, plant and equipment during the year 2022. In 2022, Taxonomy eligible activities were related to projects aiming to improve energy efficiency and reduce CO_2 emissions that could make a substantial contribution to the climate change mitigation objective, while data processing related CapEx (*e.g.* data centres) met activity description.

In light of the complexity and granularity of the applicable criteria, the investments could not be assessed as aligned by the Company in 2022. The Company took a cautious approach to assessing Appendix C criteria and compliance could not be confirmed in 2022.

In addition, some of the CapEx contributing to the Company's decarbonisation plan as presented in section "– 1.2.2 Climate Change" could not be assessed as eligible.

The capital expenditures disclosed under the CapEx KPI are not part of a CapEx Plan meeting the conditions specified under the EU taxonomy Regulation.

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(1) Platform on Sustainable Finance – Final report on Minimum Safeguards, October 2022.

Contextual Information About the OpEx KPI

The Company's OpEx definition differs from the EU Taxonomy OpEx definition. For the purpose of the EU Taxonomy disclosure, only research and development costs are considered.

Future Developments

In the coming years, the Company will continue to report under the EU Taxonomy with regard to its Taxonomy-eligible economic activities as well as its Taxonomy-aligned economic activities. This entails a further and continuous review of our economic activities. Future guidance on the EU Taxonomy could result in updated definitions and other decision-making in meeting reporting obligations that may come into force. The Company expects that its reporting will evolve over time as more insights will be gained on how best to comply with the EU Taxonomy. If the delegated act related to the manufacturing of aircraft is adopted under the EU Taxonomy Regulation, the turnover generated by sales of commercial aircraft may then become eligible.

Estimated eligibility and alignment if aviation-related technical screening criteria were to be adopted as per draft recommendation: Pursuant to the Draft Recommendations, aviation-related activities are included in the EU Taxonomy by means of delegated act(s) to be adopted in 2023. The Company's commercial aircraft activity corresponding to NACE code 30.3 is described under section 7.2 Manufacturing of aircraft of the Draft Recommendations [1]. According to the Draft Recommendations, a majority of the Company's 2022 turnover would be eligible, mainly including the turnover generated by sales of commercial aircraft. Based on the same information, the Company estimates that a significant portion of this eligible turnover could be Taxonomy-aligned, subject to Do-No-Significant-Harm criteria and minimum safeguards criteria assessment. As per the technical screening criteria of section 7.2 of the Draft Recommendations, the alignment would correspond to the proportion of new aircraft sold that will replace less efficient older generation aircraft, and therefore contributing to reducing the overall carbon footprint of aviation – as described in section "– 1.2.2 Climate change" / IV. Transition plan / 2. Product stewardship. Activities from the Company's two Divisions may be covered to some extent in future developments of the EU Taxonomy, while current level of information available does not enable the Company to provide an estimate. Accordingly, "best-in-class" aircraft programme related CapEx, and R&D (Operating Expenses) should be respectively eligible and aligned at least in proportions similar to turnover ones.

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(1) Platform on Sustainable Finance: Technical Working Group / Part B – Annex: Full list of Technical Screening Criteria March 2022.

1.2.20 GRI Index

This table, whose aspects are material for the Company and its stakeholders, follows the GRI Standards Guidelines, in accordance with the "core" option. When links target a Non-Financial Statement section, additional resource links can be found in the table displayed in the sub-section I. Introduction.

GRI	Disclosure	Related content
GRI 2: General Disclosures		
GRI 3: Material Topics		
The Organisation and its reporting practices		
2-1	Orgaisational details	
	Name of the organisation	Airbus SE
	Location of headquarters	Leiden, the Netherlands
	Location of operations	Airbus global presence↘, Airbus Helicopters global presence↘
	Ownership and legal form	See – 3.1.2 Legal Form
2-2	Entities included in the consolidated financial statements	See Consolidation Scope 2022↘
2-3	Reporting period, frequency and contact point	
	Reporting period	From 1st of January to 31 of December
	Reporting cycle	Annual
	Contact point for questions regarding the report	See sustainability on airbus.com↘
2-4	Restatements of information	See data per sustainability topics in the respective sub sections of 1.2 Non-Financial Information, – 1.2.17 ESG Data Board
		Please refer to the IFRS Consolidated Financial Statements, notes 24, 37.7
2-5	External assurance	Find the full independent Assurance Report from Ernst&Young↘
Activities and workers		
2-6	Activities, value chain and other business relationships	
	Activities, brands, products, and services	Get to know Airbus↘
		See – 1.1 Presentation of the Company
	Markets served	See what-we-do on airbus.com↘
		See – 1.1 Presentation of the Company
	Scale of the organisation	See – 1.2.13 People, – 1.2.17 ESG Data Board (Social Performance)
		– 2.1 Operating and Financial Review
		Commercial orders & deliveries↘, Helicopters orders & deliveries↘
	Supply chain	See – 1.2.15 Responsible supply chain, 1.2.17 ESG Data Board (Social Performance)
	Significant changes to the organisation and its supply chain	See – 1.1.2 Airbus (Commercial Aircraft) sections "Airbus Atlantic" and "Premium AEROTEC", – 1.2.12 Social dialogue, – 1.2.15 Responsible supply chain, – 2.1.5 Changes in Total Equity
2-7	Employees	See – 1.2.13 People, – 1.2.10 Human rights, – 1.2.17 ESG Data Board (Social Performance)
2-8	Workers who are not employees	See – 1.2.13 People, – 1.2.10 Human rights, – 1.2.15 Responsible supply chain, – 1.2.17 ESG Data Board (Social Performance)