

Against the backdrop of today's challenging geopolitical environment, throughout 2019 the Company has in particular focused on enhancing its internal processes and processes to ensure that its business activities comply with the ever changing sanctions and embargo legislation.

More generally, in 2019 the Company launched its new Code of Conduct across the Company which is designed to be one single reference document embedding the Airbus Values and reaffirming its responsibility to doing business with integrity.

5. Safety and Security

The number one priority at the Company is product (& services) safety to ensure the continued safe transport of everyone and everything that flies aboard an Airbus product. This is supported by the Airbus Product Safety Vision: "In order to achieve the Company's permanent duty of prevention, the Company constantly champions safety improvements internally, and beyond with its customers and the industry as a whole; thus the Company will be recognised as a reference in safety at the air transport system level".

The Company's policy identifies axes of permanent safety enhancement activities: (i) continuously enhance product intrinsic safety, (ii) continuously do the utmost to improve proactively the safety of operations of the Company's products, (iii) enhance safety culture within the Company, (iv) take a leading position in air transport system-wide initiatives, and (v) be forward thinking for safety.

In 2019, the Company has continued reinforcing the resilience capability of its products against abnormal conditions taking into account industry lessons learnt; as well as launching dedicated initiatives to continue its journey of permanently enhancing its internal safety culture. Beyond the Company's strict perimeter, the deployment of the Company's safety principles towards suppliers has been accelerated.

6. Our People

Competences and engagement are the cornerstone of the Company's success and competitiveness. The Company is committed to attracting and retaining engaged people with the right skills, mind-set and behaviours.

The following priorities are set:

- provide a safe and inclusive working environment, living strong values, improving employee experience;
- anticipate, secure and develop competencies through systematic knowledge management and access to life-long learning for all;
- develop a culture that sets its foundations in integrity and compliance and fosters collaboration, empowerment and accountability;
- reinforce diversity, mobility, multicultural teams and integration of the Company's global workforce to support their industrial cooperation and anticipate and respond to geopolitical changes;
- prepare the Company's leaders for what's next, boosting their resilience.

Highlights of key programmes and achievements in 2019 include the following topics:

- the "PeopleSafety@Work" initiative, as well as a comprehensive action plan on Ethics and Compliance have put Safety, Integrity and Compliance at the centre of discussions for all the Company's employees;

- over 86,000 employees joined in the worldwide survey on working environment while hundreds of teams chose to boost their engagement levels by taking action on themes most relevant to them;
- the 2019-2029 edition of the Airbus Global Workforce Forecast was released on the dedicated app, giving unique transparency on the way the Company is handling challenges related to megatrends, demographic changes through its competence strategy;
- the "myPULSE" solution was implemented and is the globally deployed solution all across the Company, covering since September 2019 more than 127,000 employees and more than 119 subsidiaries in 41 different countries in all divisions, being the main and central source of information for HR core data.

7. Exploit Digitalisation to Enhance our Current Business as Well as Pursue Disruptive Business Models

Digitalisation will support Airbus' transformation by focusing on five main axes: (i) enabling high employee engagement, (ii) digital operational excellence, (iii) mastering its product data value chain and turning product data into insight, (iv) capturing the end-user experience and (v) driving its business agility.

The Company launched Skywise, a data platform in collaboration with pioneers in data integration and advanced analytics. Skywise has established an early lead in the race to connect the aviation industry since its launch in 2017 at the Paris Air Show. Skywise aims to become the single platform of reference used by all major aviation players to improve their operational performance and business results and to support their own digital transformation.

In 2018, Airbus Defence and Space together with Airbus Helicopters launched the SmartForce suite of services to enable military operators to exploit the data gathered by their aircraft to enhance operational safety, boost mission availability and reduce maintenance support costs.

8. Competitiveness

The design, development, manufacturing, marketing and servicing of large-scale aeronautics / space platforms and integrated systems is at the core of the competences of the Company.

The Company performs a strong role as prime integrator managing the supplier base to ensure the on-time and on-quality delivery of a product to the final customer. To provide best value to its customers and face strong competition, the Company is permanently boosting its competitiveness by:

- sustainably improving current programme margins;
- further preparing its short-, mid- and long-term industrial transformation, in particular through the implementation of Digital Design Manufacturing and Services (DDMS);
- strengthening and optimising selected strategic value chain areas and reviewing sourcing strategy;
- leveraging the military portfolio, services, digital, innovation.

9. Technology and innovation

The Company innovates every day to ensure that its products are at the forefront of aerospace technology.

After many new product developments in recent years (A320NEO, A321LR, A321XLR, A350), the majority of the Company's revenues are generated today in segments where