

Materiality Assessment

In order to update its priorities regarding responsibility and sustainability efforts, in 2019 the Company performed a follow up to the materiality assessment performed in 2017. The exercise, in line with GRI methodology, consists of capturing which environmental, social and governance issues are of the most importance for the Company's main stakeholders and then crossing that with the degree of impact that the Company has on those issues. The results, along with other relevant intelligence, will inform the Company's strategy, targets and reporting.

The issues were developed, consolidated and ranked by the Company's R&S Network in 2017 and updated in 2019 to consider emerging issues most relevant to the Company and the aerospace industry. The R&S Network gathers a group of internal experts advising on the Company's R&S strategy, monitoring progress in their respective areas of responsibility,

sharing knowledge and best practices throughout the entire Company. The group is trans-functional, trans-national and trans-divisional and meets on a monthly basis.

As for stakeholder groups, after solicitation of the R&S Network, airports became the twelfth stakeholder selected, on top of the 11 groups from 2017 (see section above "The Company and its Main Stakeholders").

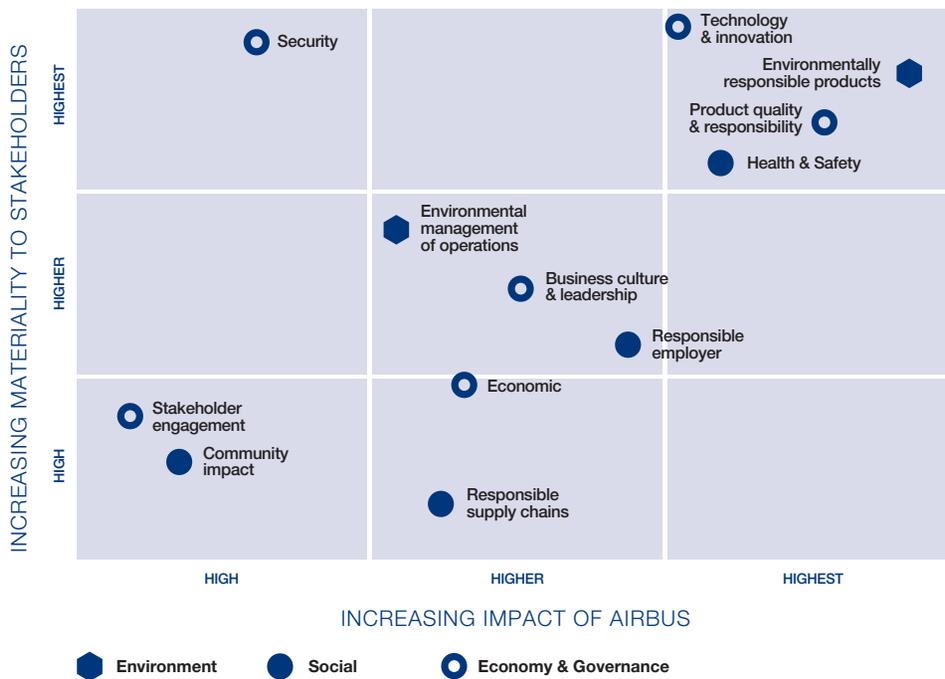
A major improvement in 2019 was the use of data mining and online survey capabilities of the Datamaran tool, which allowed a more quantitative approach to the assessment, allowing, for example, insights from nearly 40 top suppliers and 30 of the Company's most strategic customers.

As for determining the impact of the Company on the chosen issues, an online survey was answered by 246 of its executives.

The results are captured in the matrix below with the most material issues being captured in the upper-right hand corner.

Materiality Matrix 2019

Materiality Matrix



Source: Datamaran.

You will find these issues covered within the following sections of this chapter:

- Responsible Company: 1.2.2(a) Aviation and Product Safety ("product quality & responsibility" in the matrix), 1.2.2(b) Environment ("environmentally responsible products" and "environmental management of operations" in the matrix), 1.2.2(c) Responsible Defence and Space Products ("security" and "product quality & responsibility" in the matrix);
- Responsible Business: 1.2.3(a) Ethical Business Practices ("business culture & leadership" in the matrix), 1.2.3(b) Responsible Suppliers ("responsible supply chains" in the matrix);
- Responsible Employer: 1.2.4(a) Workforce and 1.2.4(b) Human Capital Management, Labour Relations and Human Rights ("responsible employer" in the matrix), 1.2.4(c) Health & Safety (same in the matrix), 1.2.4(d) Inclusion & Diversity ("responsible employer" in the matrix), 1.2.4(e) Community Engagement ("community impact" in the matrix).