

## 1.2 Non-Financial Information

### 1.2.1 The Company's Approach to Responsibility & Sustainability

#### The Company and its Main Stakeholders

Airbus is an industrial company operating in businesses with long product lifecycles and corresponding returns on investment. There are significant costs and risks in programme development and cyclical markets. These features define the Company and shape its relationships with all stakeholders. For a description of the Company's business model, see "— 1.1.1 Overview".

The Company is engaged in stakeholder dialogue at various levels. Thanks to an update to its materiality assessment in 2019 it had a privileged opportunity to capture the voice of 12 key stakeholders as to which environmental, social and governance topics were of most importance for them (see "Materiality Assessment" below). This included the following stakeholder groups: customers, suppliers, partners, NGOs, investors, employees, authorities, governments, industry associations, MRO providers, airports, and the community at large. While such opportunities are run centrally, the responsibility for stakeholder engagement, as a general rule, is decentralised and employees are encouraged to initiate, develop and maintain relationships with their respective stakeholders. The Company often seeks a sectorial approach in order to strengthen the impact.

The Company's main purpose, its missions and the objectives resulting from them, are defined in relation to these stakeholders. The Company has defined the following objectives:

- generate long-term value by developing a sustainably profitable portfolio of aeronautics, helicopter, defence and space businesses. For its shareholders, lenders and other financial counterparts, the Company must meet its obligations and foster its standing of creditworthiness and profitability;
- be a provider of choice, offering superior value-for-money products and services to customers;
- engage employees to share its goals and rise to its challenges. Within the confines of applicable laws and regulations, the Company must respond to their expectations about development, people management and values;
- build sustainable relationships with its suppliers based on mutual interest to satisfy its customers to encourage responsible practices. The Company promotes the Supplier Code of Conduct as standards consistent with its own Code of Conduct, and also develops and implements adequate mechanisms to monitor supplier performance;
- play a key role in society and towards local communities. The Company is committed to responsible business practices in terms of respect for human rights, labour, the environment and anti-corruption. In addition, the Company encourages initiatives that contribute to tackling societal challenges whether through its products and services, skills and resources or *via* key partnerships. In 2019 this has been reinforced with the "Next Chapter" transformation platform, launched by the Company's new CEO, in which one of the six strategic streams is dedicated to the role of Airbus in society, putting responsibility and sustainability ("**R&S**") at the heart of the Company's priorities.

#### The Airbus "Next Chapter"

A new team, under the leadership of CEO Guillaume Faury, took the helm of the Company in April 2019. This team is composed of both Airbus veterans and newcomers. Drawing widely on many sources of expertise, it will need to plot the course for the Company over the coming years, ensuring the Company is best equipped to overcome intrinsic challenges while navigating a rapidly evolving environment externally (heightened competition, multiple new technologies, geo-political uncertainty, environmental imperatives, etc.). It will be the role of this new team to reaffirm/adapt, formalise and champion a coherent purpose, vision, mission, objectives and culture for the Company and to bring them to life. The Next Chapter team and project has been set up, as a first step, to support the new CEO and team in providing them with input to inform their decisions with a diversity of views and ideas coming from individuals from all parts of the Company.

This company-wide, cross functional transformation platform is designed to support, prioritise, accelerate and connect efforts across the Company. Next Chapter aims to create the right conditions and environment to deliver both short and long-term priorities, with a mind-set of Safety, Quality, Integrity and Compliance and to build a capacity for continuous improvement. It connects employees across the Company to encourage creativity and answer the simple question: What should Airbus of tomorrow look like and how can we make it a reality?

Ideas and initiatives have been structured around seven main streams:

- Purpose and Story;
- People@Airbus;
- Competitiveness;
- Customer@Heart;
- Governance;
- PeopleSafety@Work;
- Airbus in Society.

As seen in the above streams, R&S is at the core of the next chapter of the Company and with that a unique momentum has emerged. This is most obvious in the "Airbus in Society" stream, which has gathered ideas and projects aimed at ensuring Airbus drives its business in a responsible and sustainable manner and contributes to the UN Sustainable Development Goals ("**SDGs**").

Next Chapter has also led to the reorganisation of the R&S team and governance model that will be taking place in 2020. The changes will reflect the ambition to fully embed R&S into the business and its performance management systems, to engage the most senior leaders of the Company and the Board of Directors, to drive our most material topics, while developing a strong R&S culture across the Company and developing greater engagement with the Company's stakeholders.

## 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").

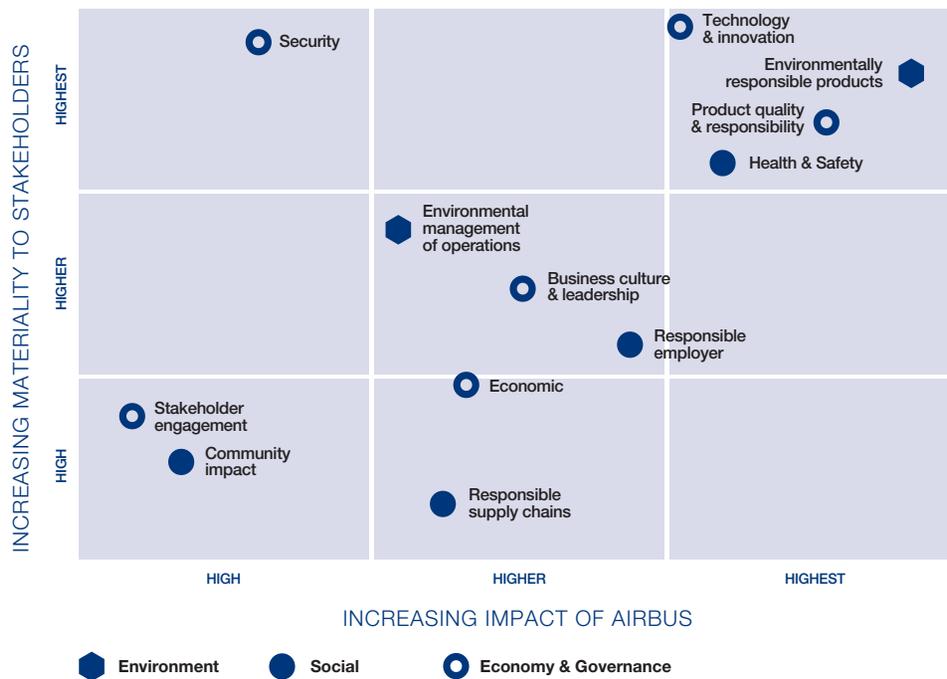
A major improvement in 2019 was the use of data mining and online survey capabilities of the Datamaran tool, which allowed a more quantitative approach to the assessment, allowing, for example, insights from nearly 40 top suppliers and 30 of the Company's most strategic customers.

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).

## UN Sustainable Development Goals

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

The Company adopted the UN SDGs in December 2015 as a framework to align its responsible and sustainable contributions. Over 2016, the Company performed a mapping of its contributions based on its publicly available information which demonstrated that at least eight of the 17 SDG goals are directly relevant to the Company's businesses. Combined with stakeholders' feedback, it was confirmed that the Company is actively contributing to:

- SDG 4: Quality education;
- SDG 5: Gender equality;
- SDG 8: Decent work and economic growth;
- SDG 9: Industry, innovation and infrastructure;
- SDG 12: Responsible consumption and production;
- SDG 13: Climate action;
- SDG 16: Peace, justice and strong institutions; and
- SDG 17: Partnerships for the goals.

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

## Airbus' Way Forward: Vigilance Plan

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

As far as its own operations are concerned, the Company has adopted internal policies and management tools to perform the assessment, monitoring, mitigation, reporting of risk and compliance allegations, which are fully embedded into the Company's culture and processes. At Airbus, heads of programmes and functions, as well as managing Directors of affiliates, supported by respective specialists, shall ensure proper deployment of the Company's policies, management of Enterprise Risk Management in their fields or perimeters as well as duly reporting issues to top management. The Company's approach is thus based on its existing strengths, namely strong management process already established and adopted by employees; empowerment of specialists and an industry approach whenever possible.

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

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

To continuously drive improvements, the Company offers employees over 100 training opportunities, online and in-person, linked to labour relations, diversity, environmental and health and safety matters, as well as R&S and human rights. It continues to deploy programmes for target groups. One programme targeting all employees worldwide focuses on increasing general awareness on R&S as well as on the Company's commitments as outlined in the Charter. A second programme is dedicated to risk-exposed populations, such as buyers and key leaders of affiliates (including managing Directors and heads of finance or board members of affiliates). It aims at developing in-depth understanding of legal requirements with regards to environment, health & safety, human rights, labour relations, anti-corruption within the Company's operations and supply chain, and promoting the Company's internal processes to help mitigate potential risks and help prevent violations. The Airbus Leadership University took the lead to embed R&S strategy and commitments into the courses it offers, in order to ensure the Company's managers are trained and equipped to instil the right behaviours, foster cultural change and encourage the search for innovative solutions to answer societal challenges. For example, the Company launched the day-long "Ethical and Responsible Leadership" MasterClass targeting its Executives in the fall of 2019. As part of the Company's talent development programme, it offers developing leaders an eight-day, four-module course called "Purpose and Values Driven Leaders". In addition, the Company also provides training to its employees, including those of affiliates, on the recently updated **Airbus Code of Conduct**.

CEO Guillaume Faury released the new Airbus Code of Conduct on 2 July 2019. Company-wide communications around the new Code of Conduct demonstrate strong tone at the top. They include: message to all Airbus employees, dedicated article on the HUB, Team Talk communicated to all Airbus Executives, dedicated webinars for the Ethics & Compliance representatives community, e-learning available in four languages. The Code of Conduct was also communicated to Airbus affiliates.

All Airbus affiliates (affiliates where Airbus owns more than one half of the voting rights, or is able to appoint or discharge more than one half of the members of the board) with operational activities are expected to deploy similar internal policies applying Airbus directives. A corporate directive assists Airbus affiliates in effectively fulfilling their responsibilities while assuring Airbus' ongoing commitment to high standards of corporate governance. In 2018, Airbus, working closely with its two Divisions, approved one single directive on corporate governance for the Company's affiliates, which defines rules, processes and procedures applicable to Airbus affiliates and their respective boards, Directors and officers. Airbus leveraged this in-depth work to integrate enhanced requirements on labour and human rights, environment, health and safety and procurement matters into the new directive on the basis of related Airbus internal policies including:

- International Framework Agreement;
- Agreement on the European Works Council;
- Supplier Code of Conduct;
- Health & Safety Policy;

- Airbus Code of Conduct (formerly Standards of Business Conduct);
- Environmental Policy; and
- Airbus Anti-corruption Policy and related Directives.

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

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

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

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

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

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

## 1.2.2 Responsible Company

### a. Aviation and Product Safety

#### I. Introduction

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

#### II. Governance

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

#### Airbus Safety Management System

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

#### Airbus Plan for Aviation Safety

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

#### Regulatory Compliance

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

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

### Commitment to Just and Fair Culture

The product safety and quality of the Company's products is its first priority. Each employee of the Company, at any level, shall do their utmost to ensure that product safety is never compromised and quality is considered in everything they do. This commitment is documented and endorsed with the signature of the CEO, Executive Committee Members and top management in key functions. It also includes the commitment to ensure the appropriate reporting channels are available and known to all employees, providing an atmosphere of trust and empowerment to report product safety and quality related matters.

### III. Risk Management

Applying proactive risk management principles has contributed to significant improvements for the safety of flight in recent decades. This risk management approach drives the Airbus Corporate Safety Process, which has been in place for 15 years. It also supports the principles of the Airbus safety enhancement culture, going beyond compliance to certification and airworthiness duties.

### IV. Initiatives

Consistent with its end-to-end approach and as part of its safety strategy outlined in the APAS, the Company has several collaborative initiatives contributing to reinforcing resilience capabilities in the air transport system and enhancing 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. As part of the SMS approach, this includes specific SMS forums with the Company's suppliers and initiatives to reinforce the collaborative approach to optimise responses to in-service feedback and reporting.

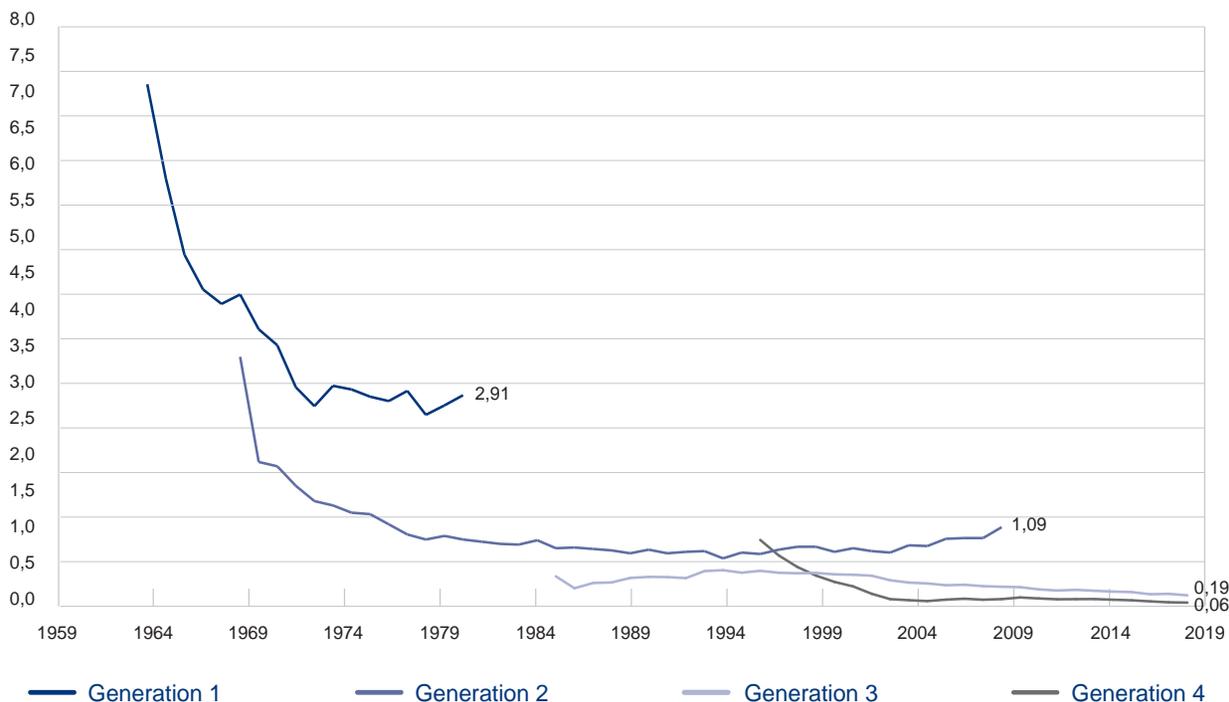
D10X (short for Air Transport Safety, Destination 10X Together) is another collaborative initiative with airlines. The aim of D10X is to propose pragmatic solutions together with operators of Airbus aircraft for the key safety issues identified within this network.

Sharing safety information is a key contributor to increasing the level of safety. First held with the Company's customers in 1994, the annual Flight Safety Conference marked its 25<sup>th</sup> anniversary in March 2019. Another means of sharing information is through "Safety first", the Airbus safety magazine contributing to the enhancement of safety for aircraft operations by increasing knowledge and communication on safety related topics in biannual editions since 2005. It reaches over 50,000 subscribers in the aviation community via the website [safetyfirst.airbus.com](http://safetyfirst.airbus.com) and the "Safety first" app.

The Company is committed to the industry's common objective of reinforcing resilience in the air transport system through the RAISE programme with its aim to "Reinforce Awareness In Safety for all Employees". To support this programme, an Airbus Safety Promotion Center will open in 2020, which is a dedicated space to foster a prevention mind-set throughout the Company and encourage a deeper personal engagement with safety.

All of these initiatives and the safety enhancement culture, combined with the benefits brought by technology, leads to a continuous improvement of the safety records. This is illustrated in statistics showing that the safest aircraft are those of the third-generation and fourth-generation jets. All Airbus Fly-By-Wire family aircraft (including A320, A330/A340, A380, A350, A220 fleets) are the latest fourth-generation aircraft.

### Yearly Fatal Accident Rate Per Million Flights



## b. Environment

### I. Introduction

*"At Airbus we believe that by demanding more of ourselves, we can demand less of our planet. We are challenging ourselves to go further when it comes to taking responsibility for the environmental impact of our product throughout its lifecycle, and are investing major efforts into examining and reducing the impact of our products in operation together with all actors within the aviation sector. We not only rigorously track and measure our own impact, in our sites, products and services, but we also collaborate with our worldwide supply chain to drive more effective environmental management and decarbonise our industry. And we place innovation at the core of this effort by investing in research, new technologies, and sustainable solutions to help us reach our vision."*

Guillaume Faury, Airbus CEO

### II. Governance

#### New Policy

"Go further" for Airbus means developing products and services taking into consideration current and foreseeable future environmental challenges for future generations and with long-term value creation in mind. This is driven through the Company's environmental policy, with a strong support from the CEO and Executive Committee.

The policy focuses on three main directions:

- continually improving our manufacturing and site operations by achieving net zero GHG emissions, zero water and air pollution, sustainable energy sources and zero waste to landfill before 2050;
- driving development of eco-efficient products and services, taking into account environmental challenges; and
- working in cooperation with the aerospace sector to develop sustainable operations of air transportation.

The industry faces a variety of environmental challenges, including climate change, and the Company invests and cooperates with stakeholders across the value-chain in researching and implementing innovative ways to meet them.

As aviation represents around 2.5% of global man-made CO<sub>2</sub> emissions, the Company recognises its role in reducing the global environmental footprint of the sector and the importance of respecting the commitments of the Paris agreements. Climate change may also affect the environmental conditions in which the Company's manufacturing activities and products are operated. Another area of attention is the elimination of substances posing a risk to human health or the environment. The Company is continually seeking technically-feasible sustainable solutions to reduce the environmental impacts of its products and operations, in cooperation with its suppliers and industrial stakeholders.

#### Organisation around Environmental Affairs Topics

Since September 2019, an Environment Executive Steering Committee has been established. This committee gathers members of the Executive Committee and managers in charge of environmental topics. It meets regularly to review progress and take decisions on all matters related to the environmental strategy of the Company.

An Environmental Coordination Committee on a cross-Divisional level ensures consistency in the operational management of environment throughout the Company and aligns on reduction objectives. The Coordination Committee meets four times a year and is composed of the heads of Environment for Helicopters, Defence and Space and the commercial aircraft activities of the Company.

The role of the Airbus Environmental Affairs organisation is to guide the business in environmental matters, to set the policy and deploy, drive and improve the Environmental Management System (EMS) throughout the Company to achieve the Company's environmental objectives. The Airbus EMS is based on ISO 14001:2015. Airbus was the first aircraft manufacturer to be ISO 14001 certified, and continues to show its commitment by having been recertified to ISO 14001: 2015 in November 2019.

Airbus also monitors environmental regulatory developments to understand, evaluate and prepare for legal and regulatory evolutions applicable to its activities and products.

On an annual basis, the Company undertakes an extensive exercise to collect, consolidate and report its environmental data. This enables Airbus to measure the environmental impact of its site operations, track its performance and communicate information on environmental matters to internal and external stakeholders. As part of its transparency policy, the Company discloses its GHG emissions to the CDP, providing its investors and other interested parties with the insight they need. Once evaluated by CDP, Airbus' entries to the climate change questionnaire are made available publicly on the CDP website.

#### Working in Cooperation

Airbus understands the importance of working together with other stakeholders to find solutions.

For instance, Airbus is a Founding Member of the International Aerospace Environmental Group (IAEG) and is actively engaged in all areas of work, such as greenhouse gas emissions, substances management, substitution technologies and supply chain to share practices and promote the development of global standards.

Airbus is also an active board member of the ATAG which sets industry goals including CO<sub>2</sub> emission reduction goals, and mobilises action on strategic aviation issues.

Aviation is a global industry and requires global solutions. ICAO, a specialised agency of the UN, has a proven track record of delivering robust aviation environmental standards and guidance (i.e. air quality, noise, CO<sub>2</sub>).

Airbus supported the ICAO agreement in 2016 on the CO<sub>2</sub> standard and also the adoption of the new Carbon Offsetting & Reduction Scheme for International Aviation (CORSIA) in 2017. Within the framework of this sectoral offsetting scheme, airlines were scheduled to start the monitoring and reporting process of CO<sub>2</sub> emissions as of 1 January 2019. CORSIA is the first global sectoral offsetting scheme.

On space activities, Airbus has worked with the ESA in Earth observation for over 25 years. EarthCARE (Earth clouds, aerosols and radiation explorer) and Copernicus, the most ambitious Earth observation programme to date, are two examples.

Recyclability is another important topic that the Company is tackling in cooperation with other entities through TARMAC Aerosave, a joint venture between Airbus SAS, Safran Aircraft Engines and Suez, providing state of the art services for the management of an aircraft's end of life.

### III. Risk Management

Environmental risk and opportunities are managed following the Company's ERM system and requirements defined within the ISO 14001:2015 certified EMS. Identification of specific environmental risks and opportunities is defined by internal guidance and it notably highlights the Life Cycle Perspective approach to be adopted and the inputs to be considered: environmental aspects and impacts, compliance obligations and other issues and requirements including stakeholders' expectations.

Risks and opportunities are reported quarterly to the Executive Committee of each Division and top risks are consolidated at Company level to be brought to the attention of top management.

#### 1. Climate Change Risk on Aircraft and Industrial Operations

The air transport market and Airbus business and operations may be disrupted by climate change, air emissions related impacts and stakeholders expectations including those of society, regulators and customers.

##### Climate Change Mitigation

Developing lower emission products and services to satisfy those expectations will require breakthrough advances in technology research (e.g. development of energy storage for electric aircraft, electrical distribution in the aircraft, power to weight ratio of electrical machines, etc.).

Airbus pursues incremental improvement of its programmes and has developed a dedicated organisation aimed at developing the future technologies that will be required. However, these technologies may not be available on time or may not deliver the required improvements to meet the climate objectives.

The Company's reputation may be affected if its or the sector's expected contributions on GHG emission reduction are not delivered as defined by ATAG to support the Paris agreements. Society's sensitivity to climate change leading to a change in passengers' behaviour including preference for alternative means of transport may change the market and demand for air travel. The Company may face reduced demand for its products and may need to adapt its business model in consequence.

##### Climate Change Adaptation

The foreseen consequences of climate change include harsher average weather conditions and more frequent extreme weather events, such as hurricanes, hail storms, heat waves or extreme cold spells. To cope with degraded operational conditions, more frequent redesigns may be required to meet more stringent regulation and certification criteria or standards.

Industrial operations and supply chain may also be affected by the consequences of climate change and require specific adaptation measures to remain operational.

### 2. Chemicals of Concern

Evolution of the hazardous chemicals' regulatory framework may lead to short- and long-term potential bans and result in business disruption across the Company's value chain.

With the aim of protecting human health and the environment, regulators at national and international level have developed a stringent set of legal requirements that are continuously evolving to ensure that hazards related to substances are under control or eliminated.

In order to mitigate the risk of disruption in its operations and supply chain, the Company's policy is to develop safe alternatives to the targeted substances and substitute these as soon as those alternatives have proven reliable enough to meet the stringent airworthiness criteria.

### IV. Initiatives

#### Industrial Operations

The Company is engaged in an industrial transformation to anticipate mid-term evolutions of its industrial systems as well as looking for longer term solutions to build its "factories of the future". This company-wide initiative will support the reduction of Airbus' environmental footprint on air, soil and water quality, climate change, biodiversity and resource availability. An evaluation of hotspots based on life cycle assessment studies of some Airbus products is also ongoing to help focus on appropriate topics.

In 2019, Airbus has rolled out High5+, a 2030 plan to reduce the footprint of all Airbus activities globally and reach out to the supply chain. High5+ engages all sites and functions, making sure that each area plays its part in delivering the global 2030 objectives. These objectives have been set in absolute value compared to 2015 levels to reduce energy consumption, CO<sub>2</sub> emissions, water consumption, VOC emissions and waste production as follows:

- energy and CO<sub>2</sub>: Following "Science Based Targets" methodology, reduce energy consumption by 20% and reduce direct (scope 1), indirect (scope 2) and oversize transportation (scope 3) GHG emissions by 40%. Reduction of oversize transportation impact will involve use of carbon offsetting to achieve overall ambition;
- waste and raw materials: divert 100% of the waste from landfilling and incineration without energy recovery, and reducing the amount of waste produced by 20%;
- air emissions: comply with air emissions regulations with 0% increase of air emission by 2030;
- water: develop strong maintenance and rehabilitation programs to improve reliability and lower costs in order to reduce water purchase by 50%, with no increase in water consumption; and
- deploy environmental requirements and risk evaluation across a targeted scope of the supply chain. Enhance the use of environmental risk evaluation for consideration as a quantitative input during selection, contracting and supply chain control phases.

In order to better embed this ambition into the Company's performance management, the Executive Committee agreed in 2019 to include a CO<sub>2</sub> reduction target for 2020 of 2.7% on the same perimeter as part of the Company's top objectives. As such it will form part of the CEO's and other Executive Committee Members' remuneration in 2020.

	2030 Target	2015	2019	2019 v. 2015
Energy (MWh)	-20%	2 323 287	2 408 751	3,7%
CO <sub>2</sub> e (tonnes)	-40%	934 788	981 985	5,0%
Waste :				
Landfilled and incineration without energy recovery	0%	18%	26%	
Waste produced	-20%	67 115	68 997	2,8%
Air emissions				
VOC (tonnes)	0% increase	1 156	1 208	4,5%
NOX (tonnes)	0% increase	203	237	16,9%
SOX (tonnes)	0% increase	11,6	11,8	1,5%
Water				
Water purchase (m <sup>3</sup> )	-50%	2 606 859	3 006 246	15,3%
Water consumption (m <sup>3</sup> )	0% increase	2 944 677	3 454 085	17,3%

Perimeter : Airbus sites w/o subsidiaries. Airbus FAL in Mobile (US) & in Mirabel (Canada) were not operated in 2015 and therefore do not contribute to the baseline. 2017 data used as baseline for Airbus Tianjin & Oversize Transportation

The 2019 status shows a moderate increase compared to the 2015 baseline. This is expected and can be explained by the Company's significant industrial ramp-up over the same period combined with the introduction of the A220 FAL in Mirabel (Canada) in 2019. Compared to previous objectives that were calculated relative to revenue, the High5+ plan targets specific initiatives to achieve the absolute value reduction targets by 2030.

VOC emissions have been reduced by over 15 tonnes annually in Nantes by switching from liquid cleaning solutions to sprays and wipes.

The Company is also engaged on circular economy. Beyond waste reduction, the Company has been proactive in seeking ways to reuse and recycle materials beyond their initial life. Not only does the Company send nearly 60% of its waste to be recycled, but today, through the TARMAC Aerosave joint venture, more than 90% of an aircraft weight is recycled or reused through a selective dismantling (reverse manufacturing) process. As airplanes manufactured with large volumes of composites start retiring in the next few decades, Airbus is working in cooperation with several specialist companies involved in carbon fibre recycling, as part of an industry goal to determine the best processes and uses for recycled and reused carbon fibre materials.

Wherever its industrial activities have an impact on biodiversity, the Company is engaged with local partners on conservation and remediation projects to preserve the affected flora and fauna and ensure they are not adversely affected by the Company's activities.

In order to promote biodiversity and educate employees on environmental protection, a beehive has been installed on Airbus Helicopters' Marignane site with approximately 15,000 bees and a seedling nursery has produced 300 seedlings of gardening, fruits and native plants on the Itajuba site.

Noise around Airbus sites can also be an important topic for neighbouring communities. The Company is actively engaged with local authorities and the affected population to minimise its impact, by adapting operating times and actively seeking to reduce the noise at the source. In Toulouse, Airbus 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.

Light pollution caused by Airbus activities has been deemed to be non-material to the Company's value chain.

The Company monitors and makes available data verified by external auditors, and publishes transparently its industrial performance. Environmental data has been externally audited since 2010. Below is a selection of externally reviewed environmental indicators.

## ANNUAL REPORTING OF PERFORMANCE INDICATORS TABLE

Environmental performance	GRI	KPI	Unit	2019	2018
Energy	302-1	Total energy consumption (excluded electricity generated by CHP on site for own use) ✓	MWh	4,054,849	4,006,108
		Energy consumption from stationary sources ✓	MWh	1,359,018	1,304,338
		Energy consumption from mobile sources ✓	MWh	1,112,573	1,094,851
		Total electricity consumption, heat & steam consumption excluding CHP for own use ✓	MWh	1,583,258	1,606,919
		Of which purchased electricity from renewable sources (REC)	MWh	101,612	
		Generated electricity from CHP on-site for own use ✓	MWh	187,846	190,287
Air emissions	305-1	Total Scope 1 + Scope 2 CO <sub>2</sub> emissions ✓	tonnes CO <sub>2</sub>	927,529	959,825
		Total direct CO <sub>2</sub> emissions (Scope 1) ✓	tonnes CO <sub>2</sub>	569,838	553,887
	305-2	Total indirect CO <sub>2</sub> emissions (Scope 2) ✓	tonnes CO <sub>2</sub>	357,691	405,938
	305-3	Indirect CO <sub>2</sub> emissions Business Travel (Scope 3) ✓	tonnes CO <sub>2</sub>	109,403	111,666
		Indirect CO <sub>2</sub> emissions Oversize Transportation <sup>(1)</sup> (Scope 3)	tonnes CO <sub>2</sub>	198,526	185,500
	305-7	Total VOC emissions <sup>(2)</sup> ✓	tonnes	1,535	1,553
		Total SOx emissions	tonnes	15	17
Total NOx emissions		tonnes	280	323	
Water	303-5	Total water consumption ✓	m <sup>3</sup>	3,987,289	3,647,950
	303-4	Total water discharge	m <sup>3</sup>	3,740,566	3,338,712
Waste	306-2	Total waste production, excluding exceptional waste ✓	tonnes	99,280	98,631
		Material recovery rate ✓	%	54.0	57.8
		Energy recovery rate	%	21.2	20.7
EMS certification		Number of sites with ISO 14001 /EMAS certification <sup>(3)</sup> vs total number of covered by environmental reporting	Unit	62 / 80	60 / 71
		Workforce effectively covered by reporting over workforce subject to reporting according to the environmental guidelines <sup>(4)</sup>	%	94	89

2018 baseline has been recalculated to integrate changes in accounting methodology (emission factors & exclusion of close loop water consumption in Donauworth). Electricity Emission factors updated according to IEA 2018 v1.01 for 2019 data and IEA 2017 v1.03 for 2018 data.

Sites A220 FAL in Mirabel, Canada, Satair Copenhagen, Ashburn & Miami, AH Oxford, ATR Francal, are included in 2019 according to reporting rules.

✓ 2019 data audited by Ernst & Young et Associés. 2019 data covers 92% of total group employees.

(1) Oversize emissions cover transport of large and non standards shipments. Values cover aircraft commercial activities and are estimated.

(2) 2019 VOC emissions data is estimated and 2018 data actualised. The accurate 2019 data will be consolidated and available during March 2019

(3) Number of sites covered by the environmental reporting which are certified ISO 14001.

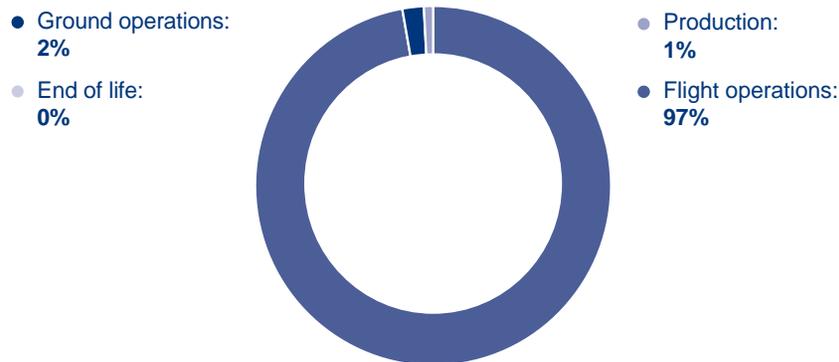
(4) Airbus environmental reporting guidelines include sites worldwide with a workforce on-site higher or equal to 50 employees. Note that only 100% consolidated entities are taken into account to calculate this 50 employee threshold. Coverage varies from 92% to 93% for waste, water, heat & refrigerants indicators.

As part of its plan to tackle scope 3 emissions, the Company has decided to offset all emissions linked to air business travel. In 2019, the Company has also started compensating emissions of activities for which reduction and use of renewable energy are not sufficient to meet the targets, such as air and sea logistics means.

In 2019, Airbus undertook an initial assessment of its scope 3 “Purchased Goods and Services” impact using a methodology developed by IAEG. The results of this assessment will be used to understand where the main impacts are in the Airbus supply chain in terms of GHG emissions and engage with suppliers on targeted projects to address them in the most effective way.

As can be expected, GHG emissions linked to the operation of Airbus' products are among the areas of particular focus as they represent the main part of the value chain's emissions. Recent internal studies, aiming at understanding the spread of GHG emissions of a commercial aircraft product over its current complete lifecycle, have concluded that over 97% of GHG emissions occur during the flight operations phase. As this phase is influenced by several factors beyond Airbus' direct control and needs to be calculated as a projection of an aircraft's operation over its entire service life, Airbus calls for a sectoral alignment on a methodology providing consistency to the way such impacts are calculated and communicated throughout the air transport sector.

### Illustration of a Typical Commercial Aircraft Lifecycle GHG Distribution\*



\* Initial assessment for illustrative purposes only.

### Products in Operation

In the last 60 years, the aviation industry has cut fuel consumption and CO<sub>2</sub> emissions per seat / kilometre by more than 80%, NO<sub>x</sub> emissions by 90% and noise by 75% of aircraft in operation.

Whilst this performance is impressive, Airbus and the aviation industry recognise the importance to continue improving the sector's environmental performance in all areas – from noise to air quality and GHG emissions, notably CO<sub>2</sub>. Due to the industry's short- and mid-term reliance on hydrocarbon fuels as well as potential additional impacts from non-CO<sub>2</sub> factors, the reduction of aviation's impact on climate change remains an environmental challenge.

Airbus, along with airlines, airports, air traffic management and other manufacturers, committed in 2008 to sectoral CO<sub>2</sub> emission goals (ATAG):

- improve fleet fuel efficiency by an average of 1.5% per annum between 2009 and 2020;
- stabilise: from 2020, net carbon emissions from aviation will be capped through carbon neutral growth (CNG); and
- by 2050, net aviation carbon emissions will be half of what they were in 2005.

The Company is actively working on a greater decarbonisation potential through new fuels and energies, technology and innovations (aiming at zero emissions flights) and carbon offsetting. Meeting these challenging goals will require a truly collaborative approach across the industry, investors and financial institutions, governments and civil society, focused on a combination of improvement measures encompassing technology (including sustainable fuels), operational improvements, infrastructure (including air traffic management) and market based measures.

Sustainable aviation fuels (“SAF”) are vitally important to the decarbonisation potential of our sector. These are not just “a nice to have” and as such the Company is fully engaged with other industry partners to drive the development of the industry. Airbus is the first manufacturer to offer delivery flights on sustainable fuels and intends to use SAF for test flights and Beluga flights as well as increasing the opportunity for more delivery flights. The first Beluga flight with SAF is an important milestone towards Airbus' decarbonisation strategy. Airbus plans to progressively use SAF in its new fleet of Beluga XLs and plans to deploy this to other operational bases in Europe.

Beyond climate change, the Company also focuses on reducing the other aspects of the environmental impacts of aircraft in operations. For instance, the Airbus Noise Technology Centre

based at the University of Southampton is continually modelling and testing to better understand noise, its sources and solutions to be embedded into current and future products.

### Substances Roadmap

Many substances used in the global aerospace industry to achieve high levels of product quality, safety and reliability are subject to strict regulatory requirements.

In the aerospace industry, regulations on substances impact key processes and products, such as surface treatments, paints and fire protection. The Company remains committed to move towards replacement of such substances in products and processes. To help achieve this, the Company 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, whilst 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 suppliers, the Company tracks, registers, assesses and declares regulated substances. 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. Currently, the Company is actively working to substitute 65 substances in its own design, and an additional 45 in its supply chain, over the next 5 years.

Airbus 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, Airbus seeks to implement them in its aircraft design and manufacturing.

For example, in 2006, the Airbus Chromate-Free project was launched with the aim of developing, qualifying and deploying chromate-free alternatives to materials containing and processes using chromates in aircraft production and maintenance. Chromate-free external paint systems developed initially for the A380 programme are now used in all Airbus commercial aircraft manufacturing programmes and across the aerospace industry.

Another example is the Airbus Basic Primer project that researches potential alternatives with the aim of phasing out the green chromated primer coat.

### Cultural Change

Corporations across industries are increasingly realising how essential their employees are as stakeholders in the conversations driving their business. At Airbus, this is no exception. The people who work here see sustainability in the aerospace industry not as an add-on to the business priorities but as an important part of their personal motivation in everything they do.

According to a 2018 survey, 11% of the Airbus Toulouse-based employees cycle to work. An annual event is organised by the Company to spread the initiative.

As part of its roll out plan, high5 + initiated a group-wide communication campaign to engage employees on day-to-day actions in order to reduce their environmental impact.

### V. Future Outlook

*"By 2050, we have made the commitment to bring CO<sub>2</sub> emissions to half of 2005 levels. A new generation of technology, research and development, and our total respect for the planet lay the foundation for a more sustainable aviation industry. By demanding more of ourselves in the areas of research, supply, production and operations, we can demand less of our planet. This clears the path toward a future in which we can connect more people than ever before, in the most sustainable way possible."*

Guillaume Faury - Airbus CEO

### New Technologies

When it comes to research and technology portfolio, the Company's first priorities are set on designing and maturing the technologies, which will then enable us to come to the market with an emission free aircraft.

The E-Fan projects are contributing to illustrate and disseminate the idea that electrically-based propulsion will probably be the next major breakthrough in our industry. So far, the E-Fan programmes have delivered assets and knowledge, but also aim to provide momentum for electrification with the Company taking a lead in the vision and its drive. E-Fan X is the next step of our electrification journey.

In order to advance aerodynamics research, the Company has developed a scale demonstrator aircraft with the first inflight, freely flapping wing tips that could revolutionise aircraft wing design through a biomimetic approach. Known as AlbatrossONE, this remote controlled aircraft has already taken its first flights to prove the concept.

The Company's fello'fly project aims to demonstrate the technical, operational and commercial viability of two aircraft flying together for long-haul flights. Through fello'fly, a follower aircraft will retrieve the energy lost by the wake of a leader aircraft, by flying in the smooth updraft of 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.

## c. Responsible Defence and Space Products

### I. Governance

The Company delivers defence and space products and solutions that enable governments and organisations to protect people and resources, and it aims to do so in a sustainable, respectful and fair manner.

This commitment is defined in terms of two thematic areas:

- A more secure world: Contributing to protecting citizens and nations' sovereignties, values, and infrastructure in a world of evolving threats; and
- A healthier environment: Designing products with a smaller eco-footprint and developing solutions to better monitor and manage natural resources.

In 2019, Airbus Defence and Space's R&S Governance Committee set a long-term objective to expand the number of products and services that contribute to its sustainability goals and the eight aforementioned UN SDGs. While inventive solutions are in the pipeline, this section describes solutions that currently contribute to a more secure world and a healthier environment.

### II. Initiatives

#### a) Products for a More Secure World

As long-standing threats to public safety and infrastructure are compounded by emerging risks that take on new forms in our cyber age, the Company aims to increase the safety of communities and protect human lives through its defence solutions, space-based intelligence and communication, and cyber security solutions. Representative contributions include:

#### Maritime

The Company makes locating, tracking and communicating with seafaring vessels across the globe's vast and remote oceans possible through its optical and SAR satellite imagery. Its Ocean Finder solution allows customers to monitor ships and activity at sea, which may be at risk due to illegal activities, hijacking or hostile waters and can assist with search and rescue efforts.

On the dock, ports need software to enable the secure and efficient movement of levied goods, and in the water they need to monitor incoming sea vessels to ensure safe movement among cruise ships, freight liners, private vessels and tankers. The Company provides real-time maritime information to help organise port traffic, provide navigation assistance to vessels and ensure smooth goods operations on land. Australia, with one of the largest harbours in the world with 1.6 million passengers passing through its Port Authority, depends on Airbus' STYRIS® system to manage Sydney Harbor and Port Botany.

#### Public Safety

The Company helps to protect societies and cities by providing communication and collaboration solutions to government authorities, law enforcement agencies, emergency services, healthcare providers and other public safety organisations. Their solutions enable authorities to respond to, and collaborate on, multiple simultaneous missions, often in emergency or high-security scenarios, through the sharing of high-value information (voice and data). The Company has equipped 19

nationwide networks for public safety forces (of which 13 are in Europe) and more than 30 networks for local authorities and defence forces.

When security threats arise at large events or gatherings of people, the Company offers real-time secure data and surveillance, cyber security, secure connectivity and situational awareness.

### Critical Infrastructure Protection

The Company protects government installations, air bases and military sites, ports and airports, sensitive industrial sites and civil infrastructure. The focus of our critical infrastructure portfolio is to provide operators of protected facilities with situational awareness of that site, as well as with actionable intelligence and command and control systems that enable them to respond to threats and manage incidents when they do occur. For example, Airbus communications solutions help to secure over 100 metro lines, 20 airports and 11,000 km of pipelines.

### Secure Connectivity for Transportation

With the growth of large urban areas around the world, efficient but safe transportation is vital. The Company provides some of the busiest airports, train stations and underground train systems in Europe and China with its Tetra system, a secure radio communication network, allowing hundreds of users to securely communicate in real time. These operators rely on Airbus' secure communications to relay urgent and confidential messages in emergency situations.

### Cyberspace Protection

Airbus CyberSecurity's Orion Malware solutions provide businesses with the ability to detect malware in their networks and investigate emerging threats. In the past when the French TV channel (TV5 Monde) suffered an unprecedented cyber-attack, taking the station offline, Airbus CyberSecurity provided a fast and satisfactory resolution of this crisis.

### Defence and Security

The Company works with the EU, NATO and other governments to supply the necessary equipment to support their efforts to make the world a safer place. Nations need defence systems and equipment to guarantee sovereignty, security and human rights. The Company's military aircraft, satellites and security technologies help protect democratic values around the globe. A partnership with the Company also helps them to protect their nations from the changing nature of terrorism threats and cybercrime.

Airbus Defence and Space does not produce nuclear weapons. Through its 50% share in ArianeGroup, there is a connection to the French Nuclear Deterrence Programme as ArianeGroup produces the M-51 launcher. However, the warhead is exclusively built by France's Directorate General of Armaments (DGA).

## b) Products for a Healthier Environment

The Company has been a trusted provider of governmental space capability since the birth of European space 50 years ago, delivering satellites as well as data solutions that inform decision making on significant environmental issues. Its aerial imagery of climatic and environmental changes around the planet reveal the scale of change and dependencies at work, deepening understanding of Earth's systems and enabling smarter responses.

### Earth Monitoring

Copernicus, the EU's Earth Observation programme, is the biggest provider of Earth observation data in the world. Its images are vital to managing the health of our planet. The Company contributes to all the Copernicus Sentinel satellites and its SpaceDataHighway, a near-real time laser communication relay, is used to transmit data from the Sentinel-1 and -2 satellites. Airbus satellites include:

- Sentinel-2, which circles the Earth's landmasses every ten days, delivering data for agriculture, forestry, natural disaster monitoring and humanitarian relief efforts;
- Sentinel-5 Precursor, which provides critical insights in helping to understand and mitigate the effects of climate change.

Other Airbus satellites in orbit include:

- ADM-Aeolus provides global observations of atmospheric modelling and analysis techniques, which are used in weather forecasting and climate research;
- the MetOp satellites. Since their launch, errors in one-day weather forecasting have been reduced by 27%. The MetOp mission provides meteorological observations from polar orbit and contributes to long-term climate monitoring;
- Twin Grace-FO satellites are mapping the Earth's gravitational field to better understand movement of water, ice and land masses.

### Agriculture

Satellite and drone imagery integrated with Airbus digital platforms enable agricultural stakeholders to understand and monitor crop growth. Platform solutions include:

- Verde helps farmers optimise crop scouting, irrigation, seeding, fertilisation, and crop detection, to improve practices over the long run to get more out of fields in a sustainable way;
- Farmstar supports French farmers to improve their harvest quality with plot-specific accuracy, offering a complete range of information on the condition of crops (stand counts, nutritional condition, risk of disease, etc.) in order to rationalise fertiliser input and safeguard the environment;
- AgNeo provides agribusinesses with an innovative and reliable decision support platform to drive greater efficiency. It provides in-season actionable information utilising imagery, field data and weather insights.

### Forest Management

Airbus' Starling is a private and independent tool that allows companies to monitor the implementation of their "No Deforestation" policies by tracking land cover change over time. Nestlé is using the Starling system to monitor its entire palm oil supply chain. Starling helps Nestlé understand better where deforestation occurs, what drives it and who is involved.

### Sustainable Space

The Company is working to ensure a sustainable space environment to prevent space debris and protect valuable national assets, such as satellites in orbit around the globe. For example:

- Airbus is the first company to test technologies to clear out space junk and avoid spacecraft collisions. Three main debris removal technologies have been tested in orbit: harpoon, net and vision-based navigation. In addition, active debris capture using robotic arms is being developed on the Airbus site in Stevenage;

- Airbus also participates in research collaboratives that harness corporate and university know-how to work towards preventing space collision (e.g., RemoveDEBRIS and Technology for Self-Removal of Spacecraft (TeSeR));
- the ground-based Airbus Robotic Telescope (ART) is a test-bed which performs automated tracking and surveillance of satellites and debris in space. This is important to prevent satellites or the International Space Station from colliding with debris or each other.

The Company is wholly committed to ensuring its products meet space debris mitigation regulations as it believes in the importance of promoting sustainable space. Specifically, it is

already aligning with the French Space Operations Act and the ISO standard 24113:2019 to avoid generation of debris in orbit and ensure safe removal of spacecraft from useful orbit at the end of life. Moreover, the Company is involved in task forces on Space Traffic Management, aimed at organising sustainable use of outer space as massive constellations become a reality.

Last but not least, as part of the advisory group of the World Economic Forum (WEF), the Company has also been promoting the Space Sustainability Rating (SSR) eco-label for space missions.

## 1.2.3 Responsible Business

### a. Ethical Business Practices

#### I. Introduction

The Airbus Ethics & Compliance programme seeks to ensure that the Company's business practices conform to applicable laws, regulations and ethical business principles, as well as developing a culture of integrity and speak-up. In 2019, Ethics and Compliance continued to be a top priority for the Company as for 2018 and 2017. In its list of priorities for the year, the Company set the objective to: "Enforce respect of Airbus ethics & compliance standards and principles".

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 Data Protection Compliance. 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 our values.

#### II. Governance

The Ethics & Compliance organisation is part of the Legal Department under the ultimate responsibility of the Airbus 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 Airbus Chief Ethics & Compliance Officer, who reports to both the General Counsel and the Ethics & Compliance Committee 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, performing risk assessments, drafting policies, conducting third party due diligence, investigating compliance allegations, implementing tools and controls and delivering compliance training.

The Ethics & Compliance Committee of the Board of Directors also plays a key role in the oversight and continued development of Airbus' Ethics & Compliance programme, organisation and framework for the effective governance of Ethics and Compliance.

In addition to the dedicated Compliance professionals, the Company re-launched a network of part-time Ethics & Compliance Representatives (ECRs) in 2019, spanning all divisions, functions, and regions. 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 and Compliance concern, including but not limited to bribery or corruption.

Likewise, the network of Data Protection focal points in the business (functions and affiliates) grew considerably in 2019.

#### 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, since 2017, the Company has been conducting a thorough bribery and corruption risk assessment across its different Divisions and businesses. The results of this risk assessment are embedded and monitored within the Company's Enterprise Risk Management framework and highlight, among others, the risk of improper payments being made to or via third parties such as business partners, 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 Airbus employees.

In order to ensure its compliance with Export Control regulations and laws in the EU, US and internationally, the Company has also initiated a review of its Export Control compliance programme. Where risks are identified, the Company will implement corrective actions to mitigate these risks which are embedded and monitored within the Company's ERM framework.

Regarding Data Privacy, the Company systematically undertakes Privacy Impact Assessment for applications meeting the criteria (nature of the personal data processed or scale of the processing, etc.) as defined by the General Data Protection Regulation (GDPR). In addition, risks derived from GDPR are also assessed in the context of the ERM and kept updated.

Specific directives have been adopted to address the key compliance risk areas at Airbus. These include among others:

- Requirements for Gifts & Hospitality;
- Requirements for Sponsorships, Donations and Corporate Memberships;
- Requirements for the Prevention of Corruption in the Engagement of Business Development Support Initiative Third Parties (BDSI);
- Requirements for the Prevention of Corruption in the Engagement of Lobbyists & Special Advisors;
- 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 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;
- Export Compliance Directive;
- ITAR Part 130 Directive;
- 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 Airbus Executive Committee and the Ethics & Compliance Committee of the Board of Directors, including recommendations to strengthen the Ethics & Compliance programme where necessary.

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

#### IV. Initiatives

##### Awareness and Training

All Airbus 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, some employees may be selected to attend face-to-face training as well. Attendance in such cases is mandatory, and managers have a responsibility to ensure that their team members do so.

From 1 October 2018 to 30 September 2019, the Company's employees followed 185,365 Ethics & Compliance, including on corruption and bribery, digital training sessions. Furthermore, 3,020 employees attended face-to-face HR catalogue trainings on different E&C topics in 2019.

Last but not least, Ethics & Compliance led a series of E&C symposia targeting Executives and Senior Managers in 2019, aimed at raising awareness on Ethics and Compliance issues.

##### Speak-Up Channel: OpenLine

The Company recognises that the Code of Conduct cannot address every challenging situation that may arise. The Company 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 and Compliance. In 2019, the Company decided to further improve the accessibility and use of the OpenLine by extending its coverage to third parties and by offering an anonymous option when authorised by law.

In addition, the [dataprotection@airbus.com](mailto:dataprotection@airbus.com) mailbox is systematically published in the Airbus data protection policies and information notices specific to the various apps, for the purpose of exercising data subject's rights and /or lodging complaints.

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.

##### 2019 Initiatives

The foundation for integrity at Airbus is the Code of Conduct. In 2019, the Company restructured and re-issued the Code, which is 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 employees, officers and Directors of the Company as well as entities that the Company controls. Third-party stakeholders with whom the Company engages are also expected to adhere to the Code of Conduct in the course of performing work on Airbus' behalf.

In addition to the Code, the Company also updated its policy related to Gifts & Hospitality in 2019, and issued new policies related to the management of conflicts of interest and the due diligence screening and on-boarding process related to new suppliers.

#### V. Future Outlook

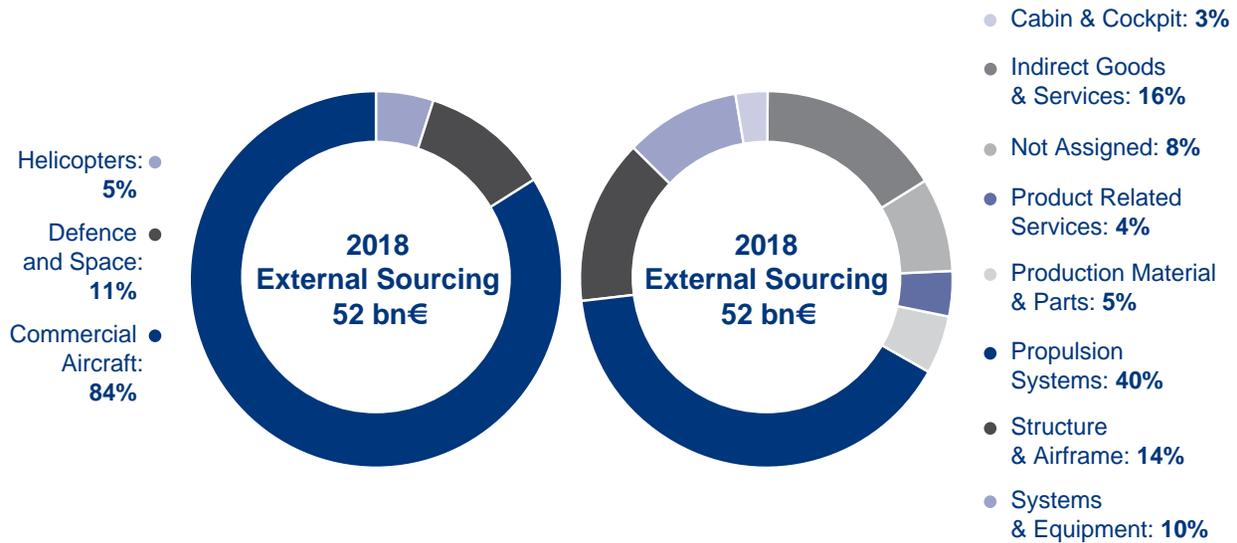
An effective Ethics & Compliance programme is one that, by definition, continuously adapts to changes and improves over time. Going forward, the Company will continue to assess its risks and monitor and test the implementation of mitigation measures at all levels: corporate level, divisions, regions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

## b. Responsible Suppliers

### I. Introduction

Approximately 24,000 suppliers from more than 100 countries supply parts, components, systems and services to the Company. In 2018, the overall external sourcing volume of the Company was valued at around €52 billion and shared between Divisions and purchasing commodities as follows:

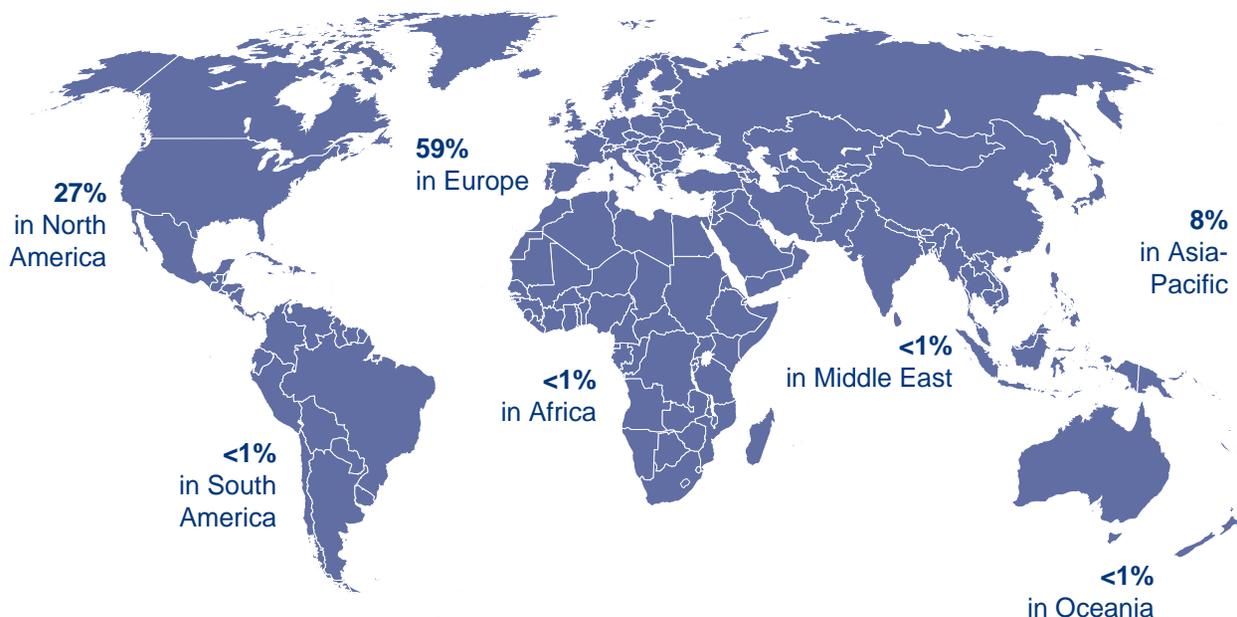


Source: PYDAP Procurement Performance & Reporting Services; Airbus Sourcing Report 2018.

Whilst 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. The Company has identified local sourcing in Asia as one of its leading long-term objectives. 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 Tier1 and subtiers data:



To promote further globalisation of its sourcing footprint, Airbus has established regional sourcing offices in North America, China & East Asia and India.

For the sourcing of indirect Goods and Services, the Airbus General Procurement function is represented in the three core regional sourcing offices. Throughout China, India and North America, Airbus General Procurement has over 50 employees managing "Local for Local" activities across 18 sites. Airbus General Procurement will continue to grow the global footprint by implementing new developments within Asia Pacific (Singapore and Malaysia) and the Middle East throughout 2020.

Airbus and its Divisions being certified ISO 14001, the Procurement function is acting in adherence with ISO 14001 requirements.

## II. Governance

### Responsible sourcing and supplier management

The Company strives to make environmental and societal responsibility a core element of its procurement process, managing the relationships with suppliers through sourcing strategy, supplier selection, contract management, supplier monitoring and development.

The Company's suppliers must comply with all applicable laws and regulations of the countries in which operations are managed or services provided. In addition, wherever suppliers are located, all business should be conducted in compliance with the Airbus Supplier Code of Conduct.

The Airbus Supplier Code of Conduct is the document of reference for Airbus' responsible supplier management (available at <https://www.airbus.com/content/dam/corporate-topics/corporate-social-responsibility/ethics-and-compliance/Supplier-Code-Conduct-EN.pdf>).

This Supplier Code represents the group-wide values and principles in line with internationally recognised standards and conventions (such as OECD and ILO). It has been developed with the International Forum on Business Ethical Conduct (IFBEC).

Responsibility and sustainability activities in the supply chain are managed by the Procurement R&S department together with divisional representatives and a network of focal points from the different purchasing commodities. The Head of Procurement R&S department is part of the Procurement Leadership Team (PLT).

The central Procurement R&S department manages integrity topics and awareness within the Procurement function and deploys the corporate Supplier R&S programme with related supplier due diligence actions. The Supplier R&S Programme Manager is also part of the corporate cross-functional group, the R&S Network.

In response to legislative developments and new regulatory requirements, Airbus launched in 2017 the Supplier R&S programme, a transverse governance structure for environmental, human rights, health and safety issues. It is based on the following key elements and principles of due diligence following the OECD framework on responsible business conduct:

- Supply base risk mapping
- Supplier assessment/audits and development plans
- Supplier engagement and contractual requirements
- Policies, tools and reporting

For anti-corruption topics in the supply chain, the Procurement department cooperates closely with the Legal & Compliance department.

## III. Risk Management

The Company's direct procurement-related risks are embedded into the Company's ERM system. A specific risk category regarding R&S-related risks in the supply chain has been integrated into the risk management plan.

### a) Regulatory Non-Compliance

The Company may not obtain sufficient visibility and information from its supply chain in regards to compliance with environmental, human rights, health and safety laws and regulations and a supplier's adaptation of international sustainable development goals.

In the event of an industrial accident or other serious incident in the supply chain, or any problems of the supplier to fulfil its operational or product compliance, this may also 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.

### b) Supplier's Impact on 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 environmental impacts on the local environment where the activity is performed, with possible impacts on air, water, soil, biodiversity, workers' occupational health and safety and on the general public's health.

### c) Disruption Risk

In the event that a supplier fails to comply with environmental, human 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.

In response to above a) to c), the Company deploys responsible sourcing activities and specific supplier due diligence actions in frame of the corporate Supplier R&S programme.

### d) Risk of Product Non-Compliance

The various products manufactured and sold by suppliers must comply with relevant environmental, human rights, health and safety laws and regulations, for example those designed to protect customers and downstream workers, and those covering substances and its contents, in the jurisdictions in which they operate. 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 that could prevent delivery to Airbus.

In response, a Procurement Task Force has been established in order to have a group-wide governance for supplier management and assessment of chemical regulations and obsolescence impact.

#### IV. Initiatives: Airbus Supplier Vigilance Plan

The Company requires commitment to responsible business practices and sustainable development from all suppliers of its entities and strives to make environmental and social responsibility a core element of our sourcing and supplier management process. This joint commitment is a key element in securing success, conformance to applicable laws and a sustainable future of the aviation industry.

#### Supply Base Risk Mapping

##### Social Compliance Risks

Since 2018, the Procurement R&S department has performed a proactive social risk mapping in line with international guidance, internal commodity expertise and externally available country indices. The risk mapping resulted from both a country risk and a purchasing category perspective considering indices like child labour, modern slavery/forced labour, recruitment practices, working time, wages, people safety at work and freedom of association. In 2019, the methodology has been formalised and published in an internal commodity guide and applied to the entire Company.

##### Environmental Compliance Risks

In addition, an environmental risk mapping has been performed, taking into consideration categories such as the existence of hazardous substances, energy consumption, CO<sub>2</sub> emissions, water usage, waste management, air pollution and specific local Chinese environmental regulations. In 2020, environmental risk mapping will be included in the above methodology.

#### Number of business-relevant external risk suppliers identified in 2019 (thereof lower tiers)



Source: Procurement Responsibility & Sustainability Risk mapping methodology and Airbus Sourcing Report 2018

#### Supplier Factory Visits

Related to the commercial aircraft activities of Airbus, the Gemba Walk pocketbook is a practical and visual guideline for Airbus employees visiting a supplier's shopfloor, which supports the identification and reporting of risks or improvement opportunities observed during factory visits.

A dedicated pocketbook on environment, health & safety and human rights risks has been developed in 2019 and published on the Airbus intranet.

#### Supplier Assessment / Audit and Development

In 2019, the Company has worked with external expert companies for the performance of R&S related desktop assessments and specific on-site audits. The assessments cover social compliance criteria such as human rights, labour practices, health and safety and anti-corruption as well as environmental regulations and sustainability criteria based on the environmental questionnaire developed by the IAEG.

All business relevant external risk suppliers are eligible to an R&S assessment by an external expert company. By end of January 2020, the Company had launched approximately 55% of such assessments with a target to reach 100% by end of 2020.

Specifically on environmental matters, the Company further fostered REACH awareness in the supply chain and engaged with suppliers to accelerate the substitution and manage the use of the most hazardous substances. In particular, regarding the REACH EHS readiness of suppliers, the Company focused on:

- engagement with 223 *in situ* suppliers through webinars and supplier conferences to develop their readiness to comply with enhanced REACH EHS conditions when working on Airbus sites. Further direct exchanges with AIRBUS EHS experts has been organised with 25% of them;
- evaluation of the maturity of external suppliers in Airbus qualified processes in regards to the future enhanced protection requirements that are being defined by the European Commission. Out of 357 suppliers of Airbus qualified processes using chromates in industrial processes, the 80 most impacting suppliers have been assessed on-site in 2019 by a third party on behalf of Airbus.

#### Supplier Engagement

##### Contractual Requirements

The Company's standard procurement contract templates have evolved over the last few years to reinforce R&S related clauses that require suppliers to:

- comply with all applicable laws and regulations relating to production, products and services;
- provide information on substances used in manufacturing processes and contained in the product itself;
- 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; and;
- comply with the Airbus Supplier Code of Conduct, including with regard to environment, human rights, labour practices, responsible sourcing of minerals and anti-corruption.

In 2019, the full scope of clauses were included in new contracts by default and the implementation in existing contracts has started according to the contractual roadmap of each purchasing commodity.

During the 2019 Annual Supplier Conference for the commercial aircraft business of Airbus, for the first time an award was presented to two suppliers with regard to responsibility & sustainability. This award recognised these suppliers for their efforts to drive sustainability within the Airbus supply chain.

## Training & Awareness

Throughout 2019, the Procurement R&S department supported both internal awareness sessions and workshops as well as external supplier meetings on responsibility & sustainability in the supply chain.

The Company's internal Procurement Academy provides training on core competences and skills to develop procurement expertise and prepare employees within the Procurement department for the challenges of the future. R&S modules are embedded in Procurement's newcomer induction path and manager development programme.

The e-learning specifically developed for the Procurement population on environmental issues has been updated in order to reflect the latest status of laws, regulations and Airbus internal processes. This training targets supply chain quality managers, ordering officers and buyers.

## Policies & Tools

The Company is currently assessing all Procurement processes and tools in order to integrate R&S-related requirements, where relevant, on top of environmental requirements, which are already largely considered. This will lead over the next years to the adaptation of Procurement process & tools managed by the Procurement strategy teams and creation of specific guidelines and/or commodity awareness.

## Grievance Mechanism

Since 2019, the Airbus OpenLine is available to external stakeholders, such as suppliers and their employees, as a secure and confidential channel through which they may, on a voluntary basis, raise alerts related to Airbus in the areas of bribery, human rights, environment and health and safety. This medium is available through the Airbus OpenLine website ([www.airbusopenline.com](http://www.airbusopenline.com)) in 13 languages. For more information on OpenLine, see "–1.2.3(a) Ethical Business Practices".

## Work with External Stakeholders

As mentioned under "Environment" in section 1.2.2(b), Airbus is a founding member of IAEG, which is working on common aerospace industry standards and tools to manage environmental obligations.

More specifically, for supply chain the IAEG has developed:

- a Supply Chain Environmental Survey, which has been implemented in 2019 at Airbus and will be used as the environmental assessment module as mentioned in paragraph 2 above;
- an EMS implementation guideline to encourage a wider uptake of environmental management systems as appropriate for each company in a phased approach and cost effective, consistent and supportive manner;
- a GHG Reporting Guidance, including a parametrical approach to evaluate emissions.

IAEG has also set-up a working group in 2019, to define an Environmental Qualification Programme to assess and develop the environmental maturity of suppliers.

In October 2019, the Company joined the Responsible Business Alliance's Responsible Mineral Initiative (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.

## Promoting Disability Friendly Companies

Since 2011, Airbus in France has been promoting employment of disabled people by its suppliers. Concretely, a specific mention is integrated into all relevant calls for tender that are launched, requesting bidding suppliers to propose a partnership with a disability friendly company.

At the end of 2019, the global volume of business with disability friendly companies in France was €50 million with an increase of 20% compared to 2018 for Airbus in France. At the end of 2019, 60 disability friendly companies are working with Airbus compared to 10 in 2010.

In November 2019, the Company organised its first (Dis)Ability Forum in Hamburg to increase its cooperation with disability friendly companies in Germany.

## Conflict Minerals

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 from all suppliers to comply with applicable laws and regulations on conflict minerals, including 3TG.

For the small portion of direct procurement of minerals in Airbus Defence and Space, the Company has established a dedicated Conflict Mineral Management System. This document describes the necessary activities needed to monitor potential future legal obligations linked to the upcoming EU regulations on the importation of 3TG.

To outline the Company's commitment to responsible business, the Responsible Mineral Policy was released in 2019 (available at <https://www.airbus.com/company/sustainability/human-rights.html>), which details its engagement to improve safety and human rights conditions in the mineral supply chains.

## Plastic-Free Supply Chain

Aligned with the R&S Charter and SDG 12 (responsible consumption & production), a dedicated project has been launched at Airbus Defence and Space with the aim of reducing, reusing and recycling plastic waste and packaging in Airbus area of involvement by 2025. This includes the following initiatives in relation to Airbus products, logistic flow and the supply chain:

- implementation of optimised processes for inter-site/supply chain deliveries;
- review of specification and contractual requirements of packaging;
- review of the current take-make-waste extractive industrial model and promotion of the circular economy approach towards a sustainable way to use plastic.

Discussions to extend this project to both Divisions and to enlarge to packaging at large have started in 2019 and will continue in 2020.

## CO<sub>2</sub> Emissions

In 2019, Airbus undertook an initial assessment of its scope 3 "Purchased Goods and Services" impact using a methodology developed by IAEG.

## V. Future Outlook

The Supplier R&S programme activities will evolve to actively mitigate R&S risks in the supply chain, adapt to evolving R&S requirements and our ambition as a sustainable company.

From 2020 onwards, Airbus will conduct R&S-related on-site assessments and specific development plans with a certain number of risk suppliers identified during the self-assessment campaigns that were launched in 2019.

The Company aims to embed R&S assessments systematically in the supplier approval, monitoring & control process to assess in the future not only suppliers in specific R&S risk countries and activities but all suppliers that are strategic and critical to business.

Specific R&S training modules and solutions will be developed for both internal use and awareness in purchasing commodities and some specifically to be made available to suppliers through the supplier portal and online.

Regarding environmental sustainability and substance management, the Company will focus on the following in 2020:

- monitoring of the mitigation action plan to close the findings of the REACH readiness assessment conducted in 2019;
- identification of Airbus suppliers contributing the most to VOC emissions, water or energy consumption in order to request from them a regular monitoring and continuous improvement of their operational performance;
- identification of the key contributors to CO<sub>2</sub> emissions in the supply chain and engagement in a supplier dialogue, to evaluate opportunities for GHG emission reduction and ways to monitor the progress.

## 1.2.4 Responsible Employer

### a. Workforce

As of 31 December 2019, the Company's workforce amounted to 134,931 employees (compared to 133,671 employees in 2018), 95.54% of which consisted of full-time employees. These statistics take into account consolidation effects and

perimeter changes throughout 2019. Depending on country and hierarchy level, the average working time is between 35 and 40 hours per week.

Entries & Leaves	2019	2018	2017
<b>Newcomers</b>	<b>11,270</b>	<b>10,959</b>	<b>7,318</b>
Core division	6,643	5,246	3,900
Subsidiaries	4,627	5,713	3,418
<b>Leavers (including partial retirement)</b>	<b>5,842</b>	<b>6,198</b>	<b>5,151</b>
Core division	2,902	3,245	2,646
Subsidiaries	2,940	2,953	2,505

In terms of nationalities, 35.6% of the Company's employees are from France, 31.6% from Germany, 8.5% from the UK and 10.1% from Spain. US nationals account for 2.1% of employees. The remaining 12.0% are employees coming from a total of 142 other countries. In total, 90.1% of the Company's active workforce is located in Europe on more than 100 sites.

Furthermore, Airbus expects its workforce to evolve naturally to support the business.

### Workforce by Division and Geographic Area

The tables below provide a breakdown of Airbus' employees by Division and geographic area, including the percentage of part-time employees.

Employees by Division	31 December 2019	31 December 2018	31 December 2017
Airbus Commercial Aircraft <sup>(1)</sup>	80,985	80,924	74,542
Airbus Helicopters	20,024	19,745	20,161
Airbus Defence and Space	33,922	33,002	32,171
Airbus (former HQ)	0	0	2,568
<b>Group Total</b>	<b>134,931</b>	<b>133,671</b>	<b>129,442</b>

(1) Airbus commercial Aircraft includes population of Airbus Former HQ since 1 January 2018.

Employees by geographic area	31 December 2019	31 December 2018	31 December 2017
France	49,143	48,144	47,865
Germany	45,638	45,387	44,214
Spain	12,637	13,684	13,177
UK	11,109	11,214	11,304
US	3,151	2,489	2,707
Other Countries	13,253	12,753	10,175
<b>Group Total</b>	<b>134,931</b>	<b>133,671</b>	<b>129,442</b>

% Part time employees	31 December 2019	31 December 2018	31 December 2017
<b>Group Total</b>	<b>4.46%</b>	<b>4.22%</b>	<b>4.20%</b>

Active Workforce by contract type	31 December 2019	31 December 2018	31 December 2017
Unlimited contract	130,591	130,131	126,534
Limited contract > 3 months	4,340	3,540	2,908

Airbus' attrition rate is 4.4% overall (incl. subsidiaries) and 8.43% in subsidiaries only.

Airbus' headcount reporting includes all consolidated companies worldwide. The internationally comparative figures are based on the active workforce, i.e. the number of permanent and short-term employees, irrespective of their individual working times. The headcount is calculated according to the consolidation quota of the respective companies. The scope for HR structure reporting covers about 99.9% of Airbus' total active workforce from consolidated companies. In total, about 0.1% of Airbus' employees are not included in the scope, as no detailed employee data is available at group level for some companies belonging to Airbus, usually recently acquired.

For more details on Scope and Methodology, please refer to the Airbus website at [www.airbus.com](http://www.airbus.com).

## Training & Mobility

In 2019, Airbus provided 1.5 million training hours and more than 12,000 participants took part in learning within the leadership domain.

	2019*	2018*
Number of Classroom Training	129,296	114,327
Number of Digital Training	397,938	248,448

\* Change of reporting period since 2018: from 1 October to 30 September.

The training KPIs in this report are provided for the legal entities in which at least one employee followed a training during the year. These entities' headcount represents 97.6% of the total active workforce from full consolidated companies. Some entities may monitor local trainings outside of the group's centralised training tool MyPulse, the corresponding additional trainings are not included in the KPIs above.

In addition, in 2019 more than 37,900 employees benefited from other developments and transformation solutions proposed by the Airbus Leadership University. The purpose

## b. Human Capital Management, Labour Relations and Human Rights

The Company's workforce is managed by the HR function thanks to a set of HR policies and a strong labour structure. HR policies are discussed and agreed with social partners through continuous and regular meeting at global and local levels. The current priorities of the Company's HR function are:

- to ensure that the Company can attract, develop and retain a world-class competent, motivated and flexible workforce, which fits current and future business requirements;
- to facilitate diversity, continuous integration and internationalisation of the Company and contribute to a common culture based on strong company values;
- to be a global employer of choice and an innovative, inclusive and engaging place to work for all employees.

of the university is to strengthen the Company's approach to leadership, offering equivalent opportunities for all leaders to drive their development one step ahead, while accelerating the cultural evolution and human transformation of the Company.

Mobility of employees within or across Airbus and its Divisions is one of the main priorities for the overall benefit of the Company. In 2019, as of end of December, more than 12,000 employees changed jobs cross-divisionally and cross-country.

## Labour Relations

### I. Introduction

Wherever it operates, the Company wishes to grow its economic success in consideration of common principles and standards consistent with International Labour Organisation (ILO) conventions, the OECD Guidelines for Multinational Enterprises and the principles laid down by the UN Global Compact, which the Company has adopted. The principles are in compliance with the Airbus Code of Conduct and with the International Framework Agreement signed in 2005.

### II. Governance

In the International Framework Agreement, the Company reaffirms its willingness 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 industrial dialogue.

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

The Company is in continuous dialogue with social partners on its sites in Europe, principally through meetings with management at the European Committee level but also through meetings and negotiations at national or local level. Sites outside Europe are covered by Airbus' ILA framing the social dialogue and social culture in line with local labour legislation, culture and practices of respective countries and by the newly installed Airbus Global Forum – see below.

Regular social dialogue is ensured as per ILO requirements and local legislation thanks to Airbus' Societa Europea Work Council (SEWC) agreement in 2015 and reshaped in 2018.

Industrial relations and social dialogue are fully part of Airbus' DNA and, therefore, its continuous evolution and improvement are embedded in the Company's Human Resources strategy supporting Airbus' business challenges. Strengthening the role of industrial relations and social dialogue is an enabler of shaping the future of work through workplace cooperation, collective bargaining by enhancing cooperation between employees' representatives and top management.

### III. Initiatives

Airbus joined the Global Deal for Decent Work and Inclusive Growth initiative ("Global Deal"). The engagement letter was signed conjointly by Airbus' Chief HR Officer, Head of Group Social Policies & Industrial Relations and Head of Responsibility

& Sustainability. Developed in cooperation with the ILO and the OECD, the Global Deal is a multi-stakeholders' partnership that seeks to address two of the greatest challenges of our time: to reduce high and rising inequalities in opportunities and outcomes and to restore fading trust in the ability of governments and institutions to make economic growth work for all against a backdrop of rapid changes in the world of work. The Global Deal's founding principles aim at encouraging action through voluntary commitments, increasing knowledge base about social dialogue and sound industrial relations and providing platforms for sharing experiences and best practices. Airbus' active representation demonstrates that social dialogue's globalisation is rooted in Airbus' R&S strategy and commitments reflecting Airbus being an employer of choice.

In line with its commitments, the Company demonstrated its engagement through the following significant initiatives in 2019:

- in June, the first Airbus Global Forum (AGF) was held chaired by Airbus Chief HR Officer in presence of Airbus European Select Committee and Airbus Staff Representatives from Airbus main operating regions: Africa/Middle East, Asia Pacific, India, China, Latin America and North America. The AGF was launched with the aim of piloting constructive exchange of information with staff representatives at a global level, in line with responsibility and sustainability policies to further engage the social dialogue towards Company globalisation;
- in Spain and in France professional elections took place. For the first time, all French Airbus companies have voted between November and December;
- the main French entities of Airbus have signed beginning of March a group agreement with four representative unions (FO, CFE-CGC, CFTC and CFDT) about Employment and Career Paths Management. This new agreement is part of the Airbus "Future of Social Dialog" approach, which consists, in particular, of coordinating and simplifying the implementation of the new social norms that come out of most of the French government reforms (Loi "Avenir professionnelle"). Employment and Careers Paths Management incorporates all processes and tools, in association with economic, technological, social and demographic changes and with respect to Airbus' strategy, which enables:
  - for the Company to improve its ability to anticipate its future competences and employment requirements, and to meet these by putting in place appropriate actions and mechanisms,
  - for employees to better manage their individual career paths and develop their competences and employability.
- New Gender Neutral Family Leave Policies and improved suite of family leave policies were implemented on 1 June 2019 in the UK. Airbus believes that these policies provide equal opportunities by ensuring they are accessible and equitable to all. Through thorough benchmarking, Airbus is confident that its policies compare well to other organisations and that Airbus is taking a lead in supporting cultural change. The aim is to help improve recruitment and retention and contribute towards closing the gender pay gap. The policies have been well received by employees so far and, in particular, Airbus has seen an increased interest in requests for information about Shared Parental Leave;
- programme for "Continuous Development for social partners" with social partners started. The implementation of modernised career management arrangements for

mandated representatives to strengthen the attractiveness of union careers, enhance experience, sustain the link with business competencies and promote return to work:

- training courses, access to the Airbus Leadership University,
- dedicated budgets,
- GEPP (job description database),
- “Anti-discrimination” measures, wage development guarantees;
- new union communication terms adapted to our increasingly digitalised world (i.e. relaxation of the use of e-mail towards members, more visibility on the Airbus Intranet, establishment of “communities” shared with Management during main negotiations). Strengthening the rules on confidentiality and data protection and complete overhaul of the use of the Airbus database to share compulsory social and economic information.

#### IV. Future Outlook

In France, concrete and significant changes will come from the new metallurgy branch agreement that should be deployed in 2020. It will give Airbus the opportunity to re-negotiate all its company agreements, creating a “new social contract”. This broad re-negotiation will also help us ensure the deployment of our HR strategy especially on New Remuneration Scheme. Anticipating this coming negotiation, a preliminary phase is currently ongoing to review our existing agreements and define our target.

In Spain, a three-year cross-Divisional intercompany agreement (“CBA”) regulates social policies and has to be renewed for the period 2020-2022. For Airbus’ commercial aircraft activities in Germany, the “Collective Agreement for the Future” will expire end of 2020. Main objectives of the future negotiation for both new agreements are:

- competitiveness (cost contention + flexibility): in order to improve our competitiveness, we should not increase any labour cost. In relation to the flexibility that is a key topic to react against picks and deeps by the use of proper temporary contracts and new ways of working;
- proximity: we need to be a customer-centric organisation that meets Business needs. CBA should be a valuable tool and not an obstacle for the Business development;
- empowerment of Managers: managers should be empowered in order to give them flexibility to drive their business. Provide managers a framework to take decisions that fit with their own reality. Try to remove blocks points from the CBA that limit the decision capability of managers.

#### Human Rights

The Company has a zero tolerance approach to all forms of human rights abuse, including modern slavery, within its business, its operations and within its supply chain.

#### Salient areas of potential human rights risks:

- Impact of products and services on the right to life and liberty (passengers and citizens)
- Privacy (individuals and their personal data)
- Impact of climate change on livelihoods (climate vulnerable communities)
- Forced and child labour (contractors and supply chains)
- Diverse and inclusive workplaces (Airbus workforce and contractors)

During 2019, the Company undertook a human rights impact and gap analysis across its global business to understand more fully its positive and potential negative human rights impacts. This analysis, conducted with the help of external consultants, considered current and upcoming regulatory requirements and international best practice as well as growing human rights requirements linked to the UN Guiding Principles for Business and Human Rights (UNGPs) within standards such as the UN Global Compact.

The analysis also included an initial identification of Airbus’ salient areas of potential human rights risks (see box with impacted groups in parenthesis). This identification was based on benchmarking of industry peers and companies in similar industries and analysis of stakeholder expectations. As they are subject to change over time, Airbus is committed to review these issue areas on a regular basis. Specific action plans based on these identified potential risks, as well as key recommendations from the analysis, are currently under consideration.

During 2019, Airbus started to identify potential KPIs related to human rights which could be used to measure progress. The following annual KPIs have been identified and will be reviewed on a regular basis:

- number (or %) of assessments of Airbus’ business relevant external risk suppliers (target to be determined in 2020);
- number of due-diligence assessments carried out on Airbus sites, including subsidiaries and affiliates (target to be determined in 2020);
- number of human rights concerns linked to modern slavery/fundamental freedoms reported via OpenLine and escalated for further investigation (0 in 2019);
- number of participants who have completed e-learning modules on human rights and modern slavery (3,400 completed in 2019 – 8,372 in total to date).

#### UK Modern Slavery Act:

As part of its obligations under the UK Modern Slavery Act (MSA), the Company published its third statement in recognition of the global aim of this legislation. Human Rights, including modern slavery, continues to be a focus area for Airbus and during 2019 we continued the roll-out of our e-learning modules focused on helping employees identify the signs of human rights abuse and modern slavery, including raising awareness of what to do if they have concerns.

At the end of 2019, 8,372 participants had completed this e-learning, which is available in four languages and forms part of the Ethics and Compliance catalogue of learning. The Company is also committed to promote awareness through internal communication initiatives and awareness sessions.

A link to Airbus’ latest Modern Slavery Statement can be found on the front page of the Airbus website.

## c. Health & Safety

### I. Introduction

The Company is committed to pursuing the highest standards of health and safety. The Company's health and safety priorities are the following:

1. protecting our people and the business from health and safety risks that could arise from our work activities;
2. fostering a health and safety culture in which we all accept appropriate responsibility for ourselves and others;
3. ensuring good management of work-related health, safety, and well-being as an ethical and commercial imperative, and
4. business sustainability and compliance with the UN Global Compact

These priorities are expressed in the newly issued Airbus Code of Conduct.

### II. Governance

The company-wide Occupational Health and Safety Policy, issued in 2018 is the foundation of the Company's system for management of health and safety at work. It applies company-wide: to Airbus' commercial aircraft activities, Airbus Helicopters and Airbus Defence and Space Divisions including affiliates.

The policy principles, mission and vision, and key initiatives continue to apply:

- policy principles:
  - responsible management of health and safety;
  - all employees accepting appropriate responsibility for themselves and others;
  - a health and safety management system that drives continuous improvement and compliance;
  - a preventative approach.
- health and safety mission and vision:
  - our mission is to deliver a culture and management system that promotes health and safety at work, related compliance, and the sustained reduction of health and safety risks related to Airbus work activities;
  - our vision is that the Company has world class health and safety risk management and is known as a company where safety, health and welfare are valued as an integral part of our success. The Company aspires to zero work related injuries and ill-health.
- key initiatives:
  - a health and safety management system based on the principles of the ISO Standard 45001;
  - the implementation of a company-wide health and safety software platform (Federated Information for Safety, Health and environment (“FISH”));
  - the reinforcement of a company-wide health and safety function by the harmonisation of health and safety philosophy and methodology.

This report further details the application of the policy principles and status of key initiatives.

Centres of Expertise are being developed within the health, safety and operational environment “Centre of Excellence”.

These Centres of Expertise address the various specialised disciplines of health and safety and environment, and engage the necessary key skills and competences. In addition, they are able to embark “Communities of Practice” where needed to work on particular topics. These Communities of Practices are the evolution of the former transversal expert groups, providing advice and helping to improve management of risk control work, on the domains of industrial hygiene, occupational health and wellbeing, and safety management.

### III. Risk Management

The Company continues structuring its corporate health and safety management framework based on the principles of the international standard – ISO 45001. Airbus sites either are pursuing systems based on the ISO 45001 principles, or are already ISO 45001 certified, or are OHSAS 18001 certified and progressively transferring to ISO 45001.

The Company is reinforcing its health and safety risk management process by building a standardised and company-wide method for risk assessment and control. The escalation process for significant health and safety top risks has also been further developed to raise such risks to top management, using the Company's ERM system. In common with many manufacturing organisations, main risks remain the possibility of injury, ill-health, asset damage, business interruption and regulatory action. In 2019, main causes of injury that could arise from work activities included slip, trip and fall, ergonomics and the use of hand tools and equipment. These represent the majority of injuries recorded using the FISH platform.

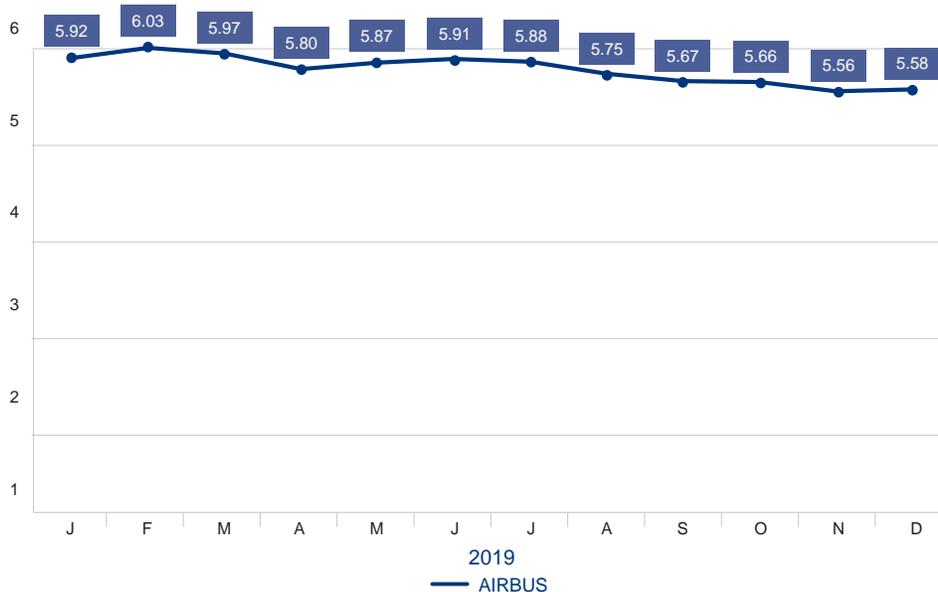
Since 2018, the FISH platform has been supporting the company-wide management framework for health and safety at work. The Company continued the development of the platform in 2019, enhancing the Company's incident, risk, health and safety capability.

The incident management module of the platform has now been deployed in Airbus and its Divisions in France, Germany, Spain and the UK, as well as the Airbus commercial aircraft plants in Mobile, USA and in Tianjin, China. The module supports the investigation, evaluation and analysis of work-related incidents and the development of risk mitigation actions. The deployment of the incident management module and the overall harmonisation process have allowed improvement in the production and collection of the overall company-wide key performance indicator, detailed below (rolling year average of the Lost Time Injury Frequency Rate).

The FISH platform will progressively improve the Company's ability to collect, analyse and report on work-related health and safety information, continuously improving the identification and mitigation of risk.

Collection of health and safety data has allowed Airbus to produce and publish an accident indicator at a company-wide level. The reporting scope of this harmonised health and safety data (reflected in the table below) covers Airbus and its Divisions for the four home countries as well as the Airbus commercial plants in Mobile, USA and Tianjin, China, and continues to be progressively extended. The table below represents the rolling year average of the Lost Time Injury Frequency Rate.

### Airbus and its Divisions Rolling 12 Months Employee Lost Time Injury Frequency Rate



The People Safety@Work project was launched for Airbus' commercial aircraft activities in mid-2018. This project has the motto "Nearly Safe is Not Safe", and it aims to improve the management of work-related injuries in operational areas and drive a safety mind-set. The project purpose is to embed a culture of excellence and a mind-set where risk prevention is core. The project is structured through a multi-functional team involving all impacted functions (e.g. Human Resources, Industry, Final Assembly Line, Facility Management, Procurement). The project has been extended company-wide in 2019. Actions from the People Safety@Work project are detailed in the Initiatives section, together with other health and safety actions, and have been included in the Next Chapter initiatives company-wide.

Since 2018, the particular focus on health and safety has been strongly supported by the Airbus Executive Committee, the roll out of the FISH reporting platform and the implementation of dedicated safety projects such as People Safety@Work, have reinforced the need to report incidents. This resulted in an increase of the Lost Time Injury Frequency Rate in 2018. In 2019, the rate slightly decreased.

#### IV. Initiatives

Dedicated initiatives, either local or company-wide focussing on occupational safety have been launched in 2019:

- safety rules have been harmonised company-wide, by the creation of "6 Primary Safety Rules";
- various communication campaigns have been run to remind workers of common health and safety issues, such as holding the handrail, being attentive and not focussed on mobile phone, wearing their safety cap;
- safety days focusing on topics such as chemical hazards, road risk prevention, first aids;
- "Safety Labs" have been installed in most of the Airbus' commercial aircraft sites. The Safety Labs are places to meet and exchange on safety subjects;
- the Airbus Helicopter "Safety Boxes" concept has been adopted for Airbus commercial aircraft activities to reduce accidents and incidents by gaining employee commitment to

safety rules. The Safety Boxes consist of a number of different activities which help to trigger discussion on safety matters between participants in an informal way. So far, ten Safety Boxes have been deployed for Airbus' commercial aircraft activities and more are planned for 2020.

As part of the continuous improvement objective, the "REACH-IT" project within Airbus' commercial aircraft activities has pursued its initiatives to review Airbus manufacturing processes, tools and workstations in light of the REACH authorisation application measures for environment, health and safety protection. Similar initiatives are ongoing in the Divisions.

A review of on-site sub-contracting processes has been performed for Airbus' commercial aircraft activities and a project has been launched in order to harmonise the on boarding process of our on-site sub-contractors.

Employees' health is protected by programmes that include mandatory and voluntary health checks, health campaigns such as flu vaccination campaigns, stress or addictions guides, skin, vein or cardiovascular screenings and well-being management. Wellbeing weeks have been organised company-wide focusing on topics such as mindfulness, sophrology, harassment prevention.

The Company continues to use learning to support the integration of health and safety into the business culture, and has worked on the harmonisation of employees' training to ensure consistently high standards of delivery.

- From October 2018 to September 2019, the Company delivered over 148,000 hours of dedicated health and safety training to approximately 20,900 individual employees.
- Executives and managers have been encouraged to focus on health and safety, supported by a dedicated leadership development strategy.
- Executives are provided with an "Environment and Health and Safety Masterclass" to enable their visible and active commitment. In 2019, over 70 executives attended the Environment and Health and Safety Masterclass.

- Additionally, the executives are offered practical training, “Back To The Floor”, to enable hazard-spotting and employee engagement during tours of factory floor. Over 200 executives have attended Back To The Floor since launch in May 2019.
- Managers at all levels attend the new “Airbus Environment and Health and Safety Leadership Certificate”. This intensive course has four modules, which, if completed within a certain period, lead to an externally validated “Environment, Health and Safety Certificate”. Over 300 managers have attended the Environment, Health and Safety Certificate first modules since launch in September 2019.

## V. Future Outlook

The reinforcement of the health and safety organisation will be pursued in 2020 to continuously enhance the health and safety management system with the aim to sustainably reduce risk to people, the environment and the business.

### d. Inclusion & Diversity

The Company is convinced that diversity helps foster innovation, collective performance and engagement. Harnessing everyone's unique potential while ensuring an inclusive workplace is what it takes to succeed together. At Airbus, we live diversity as a core part of our identity: Airbus is proud of its European roots and passionate about its achievements around the world. More than 135 nationalities are represented and more than 20 languages are spoken within the Company.

The Company's approach to Inclusion & Diversity (“I&D”) takes different forms including: I&D Advisory Board composed of Airbus executives and facilitated by the Head of I&D, dedicated training and awareness, internal incentives for international mobility, initiatives to attract women, flexible work-life solutions. In fact, the Company strives to ensure I&D is embedded in all it does, serves business purposes and benefits all employees worldwide. With full support of the entire HR function, I&D initiatives are run and coordinated by a dedicated team of experts worldwide. The Company's efforts are supported by platforms for exchange like “Knowing Me, Knowing You” and “Disability Community”.

The Company's efforts towards more inclusion and diversity are also supported by Employee Resource Groups (ERGs) through Balance For Business, the federating platform of Airbus ERGs. These are employee-led groups that foster a diverse, inclusive workplace aligned with organisational mission, values, goals, business practices and objectives. To date, this platform brings together over 11,000 volunteers, followers and allies. It is a group-wide business focused platform seeking to harness everyone's potential in a more responsible, safe, inclusive and balanced Airbus environment.

In line with its aspiration for a more diverse workplace, the Company is working to increase the number of applications from areas that are currently under-represented in its workforce, including but not limited to women, nationalities, age groups, disability and social backgrounds to ensure a broader range of candidates for open positions.

In order to support recruitment of women in all areas, the Company has entered into partnerships to increase the number of women starting a career in the aeronautical industry – for example with Capital Filles, Women in Aviation and IAWA. Internally, an I&D network of over 4,000 employees work on how to attract, develop

and retain diverse profiles, especially women, in the Company. In parallel, the Company strives to increase the number of women in leadership positions, including through dedicated coaching and training such as “I Unleash My Potential” as well as by fighting stereotypes in internal conferences or workshops. In terms of internationalisation of profiles, Airbus facilitates the attraction of talents from around the world to Airbus' traditional home countries (France, Germany, Spain, the UK) through an International Graduate Programme enabling talents from all around the world to come and work on their development over one year at Airbus sites in Europe. In addition, Airbus also put in place several actions to boost mobility from other regions to the home countries. In regards to differently-abled profiles, Airbus has developed several partnerships to increase the number of applications from people with disabilities, like “Atout pour tous”, “Handisup” and “Handi Pro Conseil”. Airbus has created as well the “Club Handilink” in France, a club composed by aeronautical and aerospace companies to federate and foster best practices sharing about disability inclusion.

Although the Company welcomes many forms of diversity, it measures the evolution of the diversity of its workforce with a specific focus on gender diversity, internationalisation and disability with key KPIs such as: proportion of women promoted to a position of senior manager or above, proportion of women among white collar external hires, gender pay gap at all levels between women and men, and the number of moves from the key countries (including India, China, US) to the home countries and disability employment rates.

The Company has launched several actions to embrace other forms of diversity, including:

- reverse mentoring to connect all generations in the Company;
- accompany the creation of Employees Resource groups like Pride@Airbus (LGBT+ network);
- develop a world-wide strategy together with local initiatives towards disability, with several thousand differently abled employees all around the world, that boosts best practices sharing and awareness towards disability inclusion.

For example, promoting the people-centric approach, a specific focus on the competences of and support to differently-abled candidatures to boost their access to employment at Airbus. This process was created at Airbus in France and thanks to it, Airbus has succeeded in doubling its disability recruitment objectives in 2019. Based on its success, Airbus is extending this people-centric approach to other countries like Spain, and business units, such as Airbus Defence & Space and Airbus Helicopters in France.

Another example is the Airbus Ability Weeks campaign, a three weeks world-wide awareness campaign in which Airbus hosts many activities with the objective of challenging the way we think about disability inclusion, promoting an “all concerned” philosophy towards disability inclusion.

As far as the Airbus SE Board of Directors is concerned, the Company is moving in the right direction with 3 women since 2017 compared to not a single woman on the Board in 2013.

For a description of the diversity policy of the Airbus SE Board of Directors, see “— Corporate Governance — 4.1.1 Corporate Governance Arrangements” under the heading “Board of Directors” and “— Corporate Governance — 4.1.2 Dutch Corporate Governance Code, ‘Comply or Explain’” under the heading “Gender Diversity”.

	31 December 2019	31 December 2018	31 December 2017
Women in active workforce	18.0%	17.7%	17.5%
Women in management positions	13.1%	12.6%	12.4%

The reference to “management positions” in the figure above only applies to the top 4% of the active workforce.

## e. Community Engagement

The Company recognises the importance of contributing to the development of the communities where it operates. Airbus was created by establishing a European partnership for a long-term industrial project and this same spirit of cooperation drives the development of the Company’s international footprint. Its approach to community engagement is driven by the willingness to develop a win-win cooperation with the local eco-system and often materialises through partnerships with local NGOs, institutions and other companies.

### Economic and Social Impact

Air transport industry is a major contributor to global economic prosperity: supporting a total of 65.5 million jobs globally, its economic impact is valued in \$2.7 trillion (equivalent to 3.6% of world GDP). By facilitating tourism and world trade, it generates economic growth and jobs, improves living standards, alleviates poverty and increases revenues from taxes. But above all, aviation enables connectivity, a key element to ensure participation in a global economy, to encourage investments and innovation and to attract talent.

Airbus has a significant economic impact at a country level. In the UK, the last report of the Oxford Economics estimated that Airbus contributed £ 7.8 billion to the GDP, while its worldwide activities were estimated to sustain 117,400 jobs in the UK, counting 15,000 people directly employed by Airbus at UK sites and supporting another 64,000 jobs through its supply chain (in 2015).

### Local Involvement

On a regional level, Airbus continued to support economic, academic and institutional players to create the conditions for long-term sustainability and innovation development. In Toulouse, Airbus is the largest employer in the region with 26,000 direct employees and having created 80,000 indirect jobs across the region in 2019. It also had a regional economic impact with purchases from local suppliers totalling € 5 billion.

In 2019, Airbus worked with its stakeholders in the areas of:

- Artificial intelligence. Airbus supported the creation of the Artificial and Natural Intelligence Toulouse Institute (ANITI). It aims at making of Toulouse one of the world leaders on the topic in research, education, innovation and economic development.
- Urban mobility: Following a public survey, a new line of the Toulouse metro was approved. All Airbus sites in Toulouse will be served, which is expected to reduce traffic in town.
- Quality of life: the Company works with its stakeholders to decrease nuisances from airports’ activities in neighbourhoods.

Bringing industry and education together, the Airbus Global University Partner Programme connects a network of 26 universities from 13 countries to develop the engineering and technology specialists of the future. Sponsorships and donations provided meaningful positive impact to communities around the world. With its company-wide framework, the Company’s local contributions are aligned with global strategy, priorities and values, encouraging initiatives around:

- education and youth development;
- innovation & digitalisation;
- aerospace & defence community relationships;
- corporate citizenship and/or local community engagement;
- environment / sustainability.

In addition, Airbus is an active member in several industry associations and national or international advocacy organisations, such as GIFAS, World Economic Forum and Advanced Robotics for Manufacturing – ARM institute.

### Volunteering at Airbus

The Company encourages and facilitate employees’ initiatives to contribute to societal challenges in the communities around their workplaces.

In 2019, more than 5,000 Airbus employees were involved in volunteering for 97 initiatives.

Airbus ProtoSpace, for example, supported by the Airbus Foundation, established the “Humanity Lab” as an opportunity for employees to volunteer their time, skills and knowledge to develop initiatives with a societal purpose. Responding to NGOs’ needs, over 90 employees have created solutions such as dynamic prosthesis, an optimised wheelchair, or a portable and durable baby weighing scales to tackle malnutrition in developing countries.

“Airbus Balance for Business”, an employee platform with more than 10,000 followers, covers outreach projects like “Fly with me”, a mentorship programme of Airbus Africa Community to raise awareness of STEM education in Africa.

### The Airbus Foundation

Since its renewal in 2018 for a further five years, the Airbus Foundation has significantly ramped up activities across its two strategic pillars: youth development and humanitarian emergency response. With 38 partnerships in place with non-profit and social enterprises, the Foundation seeks to undertake sustainable and impactful actions for the communities it supports.

The Foundation’s goal is to support international aid organisations, using its products and services to help alleviate some of the world’s challenges. Through its Humanitarian Flights Programme, the Foundation coordinates relief flights

using Airbus test aircraft to transport emergency goods to support disaster relief, as well as offering customer to use the delivery of their aircraft to transport cargo for humanitarian organisations. It brokers the use of Airbus helicopters for emergency aerial assessment and cargo transportation, reaching isolated inaccessible communities; and the Foundation now provides dedicated satellite imagery to its selected partners enabling them to make rapid assessments of areas affected by disaster and aiding quicker, more informed decision making.

At the request of its partners, the Foundation extended its portfolio to include capacity-building activities to help those organisations strengthen their workforce in terms of knowledge, expertise and innovation, providing trainings on helicopter evacuation, medical services or satellite imagery analysis and opening the doors of the Airbus Leadership University for leadership and personal development courses.

Across its youth programs, the Foundation has engaged over 14,100 young people across the globe since 2012, and leveraged the support of more than 2,000 passionate employee volunteers. The Flying Challenge programme operates on 25 sites in 10 countries inspiring young people to pursue their studies, promoting social inclusion and access to training and employment.

Through its STEM programmes, Airbus Little Engineer and Discovery Space, thousands of students from 15 countries have participated in hands-on robotics workshops. The Discovery Space digital platform encourages space exploration, to support children's discovery of 3D design software, tutorials and design competitions in collaboration with ESA.

Successfully bringing together employees, products and services from across all divisions, the Foundation remains at the "heart" of the business, generating pride by employees; achieving long-lasting impact for its partners and beneficiaries; and supporting the wider responsible image of aerospace.

## 1.3 Recent Developments

On 31 January 2020, the Company reached final agreements with the French PNF, the UK SFO, the US DoS and DoJ. See "— Information on the Company's Activities — 1.1.7 Legal and Arbitration Proceedings — Investigation by the UK SFO, France's PNF, US Departments of State and Justice and Related Commercial Litigation".

The UK formally exited the EU on 31 January 2020. From 1st February, both parties enter the "transition period" during which the EU and UK will negotiate additional relationship arrangements. The transition period runs until 31 December 2020. See "— Management's Discussion and Analysis of Financial Condition and Results of Operations — 2.1.1.3 Significant Programme Developments, Restructuring and Related Financial Consequences in 2017, 2018 and 2019 — Brexit".

On 12 February 2020, the Company and IQ have agreed to acquire Bombardier's remaining stake in Airbus Canada Limited Partnership. This brings their holdings to 75% and 25% respectively. As part of this transaction, Airbus SE, *via* its wholly owned subsidiary Stelia Aerospace, has also acquired the A220 and A330 work package production capabilities from Bombardier in Ville Saint-Laurent, Quebec. Airbus SE will pay a total consideration of \$ 0.6 bn, of which \$ 0.5 bn would be paid on closing. With this transaction Bombardier is released of its future funding capital requirement to ACLP. The Company is assessing the impacts of the transaction on its 2020 Financial Statements.

On 12 February 2020, the governments of France and Germany have awarded Dassault Aviation, Airbus, together with their partners MTU Aero Engines, Safran MBDA and Thales, the initial framework contract (Phase 1A), which launches the demonstrator phase for the FCAS.

On 13 February 2020, the A330-800 received joint Type Certification from the EASA and the FAA.

On 22 March 2020, Airbus SE announced that it expects production and assembly work to partially resume in France and Spain on Monday, 23 March 2020 following health and safety checks after the implementation of stringent measures. In addition, the Company is supporting efforts globally to tackle the COVID-19 crisis.

Airbus has carried out extensive work in coordination with its social partners to ensure the health and safety of its employees, while securing business continuity. The implementation of these measures required a temporary pause in production and assembly activities at the French and Spanish sites for a period of four days. Work stations will only re-open if they comply with the new health and safety measures in terms of hygiene, cleaning and self-distancing while improving the efficiency of operations under new working conditions.

The same measures are being deployed across all other sites without full interruption.

For other non-production activities globally, Airbus continues to support home-working where possible. Some employees will be asked to return to support business continuity following the implementation of these new measures. In February, the Airbus Final Assembly Line in Tianjin, China, reopened following a temporary production stoppage related to the coronavirus outbreak and is now operating efficiently.

Airbus is supporting those in the health, emergency and public services that rely on its aircraft, helicopters, satellites and services to accomplish their critical missions. In addition, in the past days, the Company has donated thousands of face masks to hospitals and public services around Europe and has started