

Airbus Tax Strategy 2022

1. Introduction

This document approved by the Airbus Chief Financial Officer (CFO) sets out the Group's policy and approach in managing its tax affairs. It will be reviewed annually by the Group tax team, and any amendment will be approved by the CFO accordingly.

The tax strategy applies to all entities¹ for which the ultimate parent company is Airbus SE ("the Group").

2. Description of the Group's overall tax and customs profile

The Group is Europe's premier aerospace and defence actor and one of the largest aerospace and defence groups in the world. It is among the top manufacturers of commercial aircraft and civil helicopters, and a leading supplier of military aircraft and space systems. The nature of the business is capital and labour intensive with major facilities and workforce in its four core countries in Europe, i.e. in France, Germany, Spain and the United Kingdom.

In this respect, the majority of the Group's profits are subject to tax in these four countries where the Group's significant activities are undertaken, the vast majority of employees are based and value is created. Key profit drivers are the research, design and production activities carried out by the Group's employees. Research and development is primarily carried out in these four core countries, while there is also a significant industrial and engineering footprint in other countries (such as China and USA).

3. Group tax policy

The tax policy described in this document is in line with the Group's strategy to sustainably optimise the return on risks taken in business activities, and the Group's corporate governance principles. It aims at supporting the clear focus and dedication of the Group towards compliance, and forms part of Airbus' sustainability commitment to exemplify business integrity.

- Compliance with tax law and regulations

As a multinational group with operations and sales in various jurisdictions, Airbus is subject to a number of different tax laws. It is the Group's objective to adhere to the relevant tax regulations and to ensure tax compliance in each country.

Airbus' policy is to have its economic results taxed in a compliant manner in all countries where it creates value.

The Group decisions on its structure and on the transactions it enters into are based on its own fair interpretations of applicable tax laws and regulations. The Group aims for certainty on the tax positions it adopts, though in a complex environment with increasing uncertainty, there can be no assurance that the tax authorities will not seek to challenge such interpretations, consequently the Group or its affiliates could become subject to tax claims.

The Group will always act to minimise the risk associated with a tax position, while aiming for tax efficiency as described below. Where tax law is unclear or subject to interpretation, the Group may decide to take a written opinion from an independent third party tax advisor, detailing the facts, risks and conclusions, so as to support the decision-making process, or to engage with tax authorities to secure alignment on interpretation of tax rules. The level of risk will be deemed to be acceptable where strong technical arguments exist to support the position and where stakeholders have been consulted appropriately according to the value at stake.

In the case where weaknesses may be identified in tax processes, the Group will act to remediate the issues in a timely manner to ensure continued compliance.

- Tax efficiency

The Group also aims to manage its tax costs by ensuring the tax efficiency of business transactions, so as to preserve resource for reinvestment in our products and value for the Group and its shareholders.

The Group will only engage in reasonable tax planning that is aligned with commercial and economic activity. This includes taking advantage of available tax incentives and reliefs to minimize the tax costs of conducting its business activities. The group will not use tax planning for purposes which are knowingly in contradiction with the intent of the legislation. Moreover, our Group will not engage in artificial arrangements which have the purpose of decreasing our tax charge. Entities of the Group located in countries offering "privileged tax regimes" are established for business and operational reasons. We pay specific attention to ensure that any profit allocated to these entities is strictly proportionate to the activities undertaken locally.

- Governance

The Group has strong Corporate Governance arrangements which are described in the Registration Document, published annually.

The tax function is led by the Head of Tax and Customs who directly reports to the Group's Chief Financial Officer (CFO). As such, Tax is part of the Finance function and is under the

responsibility of the CFO, who is a member of the Group Executive Committee (GEC) and reports to the Chief Executive Officer of the listed company, Airbus SE.

A dedicated team of tax professionals, the Tax and Customs Centre of Competence (“CoC”) has the mission of proactively supporting the Group as business partner to ensure compliance in a tax efficient manner by managing risks and opportunities. The Tax CoC is under the lead of the Head of Tax and Customs, and is organised with a strong divisional axis, allowing the tax team to be closely integrated with the business. In addition, there are specialists in specific areas (such as International Tax, Customs, Wage tax, VAT), and National Coordinators to ensure coherence of tax policy through the Group. The National Coordinators, divisional Heads of Tax and heads of specialist teams report directly to the Head of Tax & Customs for the Group. In accordance with Group policy, all members of the Tax CoC follow the Airbus Code of Conduct in all of their professional activities.

The Tax CoC aims to develop close partnerships with the Group’s businesses, to provide clear and timely guidance on tax matters, including identification of tax risks, if any, and relies on external tax advice if necessary. It is the aim of the Tax CoC to be involved in projects from planning to implementation to ensure that appropriate tax treatment is applied and tax exposures are managed. The Tax CoC regularly provides training to the internal business community to improve tax awareness across the Group, and provides eLearning training on topics such as identifying and reporting potential tax evasion of third parties.

The Tax CoC works in partnership with the Ethics and Compliance function to ensure that relevant Group processes are aligned with the tax strategy and the commitment to business integrity. This includes ensuring that the design and operation of the supplier and customer due diligence processes include relevant reasonable procedures to identify potential tax evasion of our suppliers or customers, and to prevent potential facilitation by Airbus.

- Risk management for Tax & Customs

An Enterprise Risk Management (ERM) system is applied across the Group, as described in the Registration Document published annually. ERM provides a framework, embedded into management processes, for the early identification of risks and implementation of appropriate responses.

The tax processes managed by the Tax & Customs CoC are fully within the scope of the Group ERM. The Tax & Customs ERM Coordinator ensures that the methodology is applied in order to identify and evaluate risks, and to define appropriate controls and mitigation actions. The Head of Tax & Customs ensures that a strong control environment is maintained and monitors risks through regular interaction with the CoC management team.

The ERM approach is harmonised across the divisions and countries within the Tax CoC to ensure that best practice is shared and that key controls are implemented. The Tax & Customs ERM status is shared regularly with the Group’s CFO.

The overall process in place to ensure that the Group is complying with its tax obligations on time and on quality has been documented in accordance with Group quality standards. The documentation reflects the key principles and control definitions applied for tax and customs processes, such as segregation of duties and requirement for a second-person review.

- Relationships with Tax and Customs Authorities

Airbus Group aims to establish and maintain transparent, constructive and collaborative professional relationships with tax authorities wherever the Group operates around the world, based on the timely and accurate disclosure of relevant facts and circumstances, notably in the context of the tax audit process.

Whenever it is meaningful, Airbus enters into multilateral Advance Pricing Agreements with the tax authorities of the countries where it operates, in order to provide these tax authorities with transparent information and to agree arm's length transfer pricing methodology between the countries at stake.

In this respect, the French, German, Spanish and British tax authorities concluded in 2004 a quadrilateral Advance Pricing Agreement covering the commercial aircraft activity and have since concluded other multilateral APAs covering significant activities.

Where appropriate and possible, the Group participates in discussions with tax authorities and national or international organizations (such as the OECD) to help shape proposed legislation and future tax policy.

Notes:

- (1) This tax strategy applies to all Group entities controlled directly or indirectly by Airbus SE. For the purposes of UK Finance Act 2016 Schedule 19, the strategy applies to all UK sub-groups which exist within the meaning of Para 11 and all qualifying companies which exist within the meaning of Para 5. The heads of each UK sub-group and the relevant qualifying companies regard the publication of this document as complying with their obligations under Para 19(2) and Para 22(2) respectively for the current financial year.